Austria	Sch20	Indonesia	[illegible]	Pakistan	Rs35
Bahrain	Din1.000	Israel	Shk6.50	Philippines	Pes45
Belgium	BFr[illegible]	Italy	L2500	Poland	Zl 16,000
Cyprus	C£1.00	Jordan	JD1.20	Portugal	Esc180
Czech	Kcs35	Korea	Won 2500	Qatar	QR10.00
Denmark	DKr14	Kuwait	Fils.600	S.Arabia	SR9.00
Egypt	E£4.00	Lebanon	L£1,300	Singapore	S$4.10
Finland	FM10	Lux	LFr60	Spain	Pta200
France	FFr8.00	Malta	Lm0.50	Sweden	SKr14
Germany	DM3.30	Morocco	MDh11	Switz	SFr3.00
Greece	Dr250	Neth	Fl 3.50	Thailand	Bt[illegible]
Hungary	Ft182	Nigeria	Naira20	Tunisia	Din1.000
Iceland	IKr180	Norway	NKr15.00	Turkey	L6000
India	Rs20	Oman	OR1.30	UAE	Dh8.50

EUROPE'S BUSINESS NEWSPAPER

FINANCIAL TIMES

Newspaper of the Year

Friday March 20 1992

D 8523A

FRANCE

A shock to the political system

Page 16

World News

De Klerk to speed pace of political reform

South African president F.W. de Klerk, buoyed by the white electorate's overwhelming endorsement of negotiations with black political leaders, indicated he would quicken the pace of constitutional reform, but refused to put a timetable on the process.

African National Congress president Nelson Mandela said: "Our demand is that the interim government must be introduced this year, and we think that is possible." Page 18

Queen confirms York separation

Queen Elizabeth issued a statement that the Duke and Duchess of York were to separate, six years to the day after their engagement, and made it clear it was the duchess who had initiated the move. Nothing more would be said until discussions were complete. There are no immediate plans *for either the duke or the duch*ess to move out of the family home, Sunninghill Park, near Windsor Castle. Page 7

Implant maker to quit

Dow Corning, world's largest maker of silicone breast implants, is to withdraw from the business, which has been plagued by political controversy, lawsuits and congressional investigations, and said it would set up a $10m fund for research. Page 18

Leave Libya, urges US

The United States urged Americans to leave Libya ahead of the expected imposition of sanctions by the United Nations Security Council. Libya called for an emergency Arab foreign ministers' meeting to discuss its dispute with the west. Page 4

French students protest

Thousands of French university and secondary school students marched through Paris to protest against plans to reform the university education system. Page 2

Zimbabwe land bill

Zimbabwe's parliament passed a controversial bill allowing *the state to seize land from* white commercial farmers for redistribution to black peasants. Page 4

Tatars' Federation vote

Voters in Tatarstan, a small autonomous republic east of Moscow, will tomorrow hold a referendum on whether to break away from the Russian Federation. Page 2

Punjab curfew

Indian police imposed a curfew on the Punjab city of Ludhiana to curb a Hindu backlash after 20 people were killed in 24 hours of Sikh separatist violence. Page 4

Pets free to travel

Britain will have to scrap its strict anti-rabies measures under planned European Commission legislation. Travellers will be free to take pets to other EC countries without *quarantine procedures pro*vided the animals are vaccinated against rabies.

FT No. 31,714

Business Summary

Brazil close to $40bn debt accord with banks

Brazil's chief debt negotiater said he expected to announce an agreement soon on an outline accord to restructure more than $40bn of medium-term debt the country owes to international banks.

*Mr Pedro Malan said signifi*cant progress had been made in negotiations. However, bankers said that, although agreement was close, important differences remained. Page 6

US EXPORTS, billed by Bush Administration officials as "an engine of growth", fell in January for the third month in a row. Page 6

SAVINGS AND LOAN industry in the US returned to profit last year for the first time since 1986, according to the head of the industry's largest trade association. Page 21

UK COURT OF APPEAL overturned an injunction freezing the worldwide assets of the Central Bank of Northern Cyprus and said that in future such assets should be frozen only in unusual circumstances. Page 7

SCANDINAVIAN airline groups are planning to use London's Gatwick airport as an international hub in competition with Copenhagen. Page 7

BANKAMERICA CORP said it expected to shed between 10,000 and 12,000 jobs worldwide within three years following its planned merger with Security Pacific Corp.

WASTE Management Inc of the US is to sell 20 per cent of its international operations in a share placing and offering estimated to raise £405m *($700m)*. Page 19; Lex, Page 18

CARIPLO, Italy's biggest savings bank, agreed to buy a 21 per cent stake in Istituto *Mobiliare Italiano, financial* services group, for an estimated L1,250bn ($1.01bn). Page 20

RENAULT, French state-owned car maker, more than doubled 1991 net profits to FFr3.08bn ($550m) from FFr1.21bn, despite difficult trading conditions. Page 19

VOLVO, Swedish carmaker, reported a profit of SKr1.5bn ($251m) for 1991 after suffering a loss of SKr327m the previous year. Page 20

BASF, German chemicals group, warned of large-scale lay-offs after a slow start to the year. Page 20

GUINNESS, international drinks group, matched market expectations with a 13 per cent increase in 1991 pre-tax profits from £847m ($1.47bn) to £956m. Page 20; Lex, Page 18

SEAGRAM, international drinks group, reported record sales and operating profits for 1991, but net profits slipped 4 per cent to US$727m. Page 21

LVMH, French luxury goods group, lifted net profits 11 per cent increase to FFr3.74bn ($669m) in 1991 against FFr3.37bn last time. Page 21

KUMAGAI GUMI, Japanese *contractor, forecast* a 24.7 per cent fall in pre-tax profits for the year and said the value of its international contracts would plunge to Y50bn ($378m) next year from Y150bn Page 22

US carmakers deride Japanese move on exports

By Steven Butler in Tokyo and **John Griffiths** in London

THE Japanese government yesterday responded to mounting trade friction with Washington by cutting sharply its self-imposed ceiling on vehicle exports to the US.

But the move was greeted with derision by the US motor industry, with Mr Harold Poling, Ford chairman and chief executive, declaring that Japan had "learned nothing" about the need to balance its trade with the US.

The Ministry of International Trade and Industry (Miti) lowered the ceiling from 2.3m to 1.65m vehicles for the fiscal year starting next month. However, the practical effect will be much less, because Japanese exports to the US have in any case been falling steadily. *Exports to the US from Japan* last year are estimated at only 1.73m vehicles, compared with 1.85m in 1990.

The decline, however, has been more than offset by increased local production. Japan's share of the US market has risen to more than 30 per cent. Honda said it could tap spare production capacity at its Ohio plant if demand warranted, while Nissan is bringing new facilities on stream this summer in Tennessee.

It is actions such as these which prompted General *Motors* to decry the export cut as "misleading". "It only stimulates the building of more capacity in an industry already saddled with worldwide overcapacity," the company said.

Page 5

■ US plea to Japan

Page 19

■ Renault's bid to shake up US truck maker

Page 20

■ Volvo and BMW results

Mr Poling said it "will not do a thing to help the trade balance, and it is a voluntary limit anyway. A limit of around 1.3m or less would have shown that Japan understood the need to change its trading relationships."

Chrysler, whose chairman Mr Lee Iacocca is one of the fiercest critics of Japanese trade policies, said the ceiling should have been cut to 1m if the Japanese were serious about "a level playing field".

Vehicles and vehicle parts account for about 75 per cent of Japan's trade surplus with the US, which rose to $43bn last year from $41bn in 1990.

Accepting that it would be difficult for Japan to raise the ceiling again, some measure of relief should be provided to the US industry when its market *starts to emerge from reces*sion. However, even this could be countered by the fact that the cars Japan exports have been moving steadily "upmarket", with higher unit *values*.

The reduction plan will stoke fears that the world's free trade system is being gradually eroded by a series of managed trade deals. The European Community has recently criticised US-Japan agreements in vehicle parts and semiconductors.

With Japan's domestic car market also faltering for the first time in years, and exports to the US and Europe restricted, Japanese vehicle makers are under increasing pressure to find additional outlets for their products, with South America and other developing areas gaining more of their attention.

Mr Atsushi Kawashima, director of the automobile divi*sion at Miti, said the ceiling* was lowered in order to keep exports on a declining trend.

He said the decision was "based on the recognition that the automobile industry is one of the industrial pillars of both Japan and the US, and that healthy development of the industry in both countries is vital to advance further the good relationship between the two countries and maintain the overall free trade system".

However, Mr Kozo Watanabe, Miti minister, admitted that the decision was open to *criticism on many grounds*.

"We have four options: whether to maintain the ceiling at the current level, to scrap it, to cut it to the level of

Continued on Page 18

Out and down: Paul Tsongas announced he will quit the US presidential race due to a shortage of funds. Page 18

Grass at home less green for German industry

By Andrew Fisher in Frankfurt

COMPANIES in west Germany *have a lower opinion* of their country's qualities as an industrial base than they had three years ago. More than a quarter of them have reacted by cutting domestic employment, *according to a study* by Ifo, the Munich-based economic research institute.

They are also less happy about the quality of German labour. But Ifo said that this view – mainly expressed by smaller companies – seemed to reflect improvements in countries competing for German industrial investment, like Spain, France and Ireland, rather than any deterioration of the German workforce's qualifications.

Ifo's findings will add fuel to the debate about the future *of Standort Deutschland* – Germany as an industrial base – at a time when employers are faced with high wage demands and intensifying foreign competition.

As negative factors, companies cited high wage and social security costs, short working weeks, high corporate taxes and tough environmental rules. The main positive factors were the lack of industrial strife and fairly consistent government policies.

Ifo said 27 per cent of companies had reduced employ*ment at their German plants*, with 8 per cent more planning to do so. In capital goods, where Germany is strong in world markets, 34 per cent had laid off workers and 13 per cent had plans to do so.

The study, carried out in December, was based on the views of 500 companies. Ifo said they had a less positive view about *Standort Deutschland* than during the last inquiry at the end of 1988.

It cautioned about dramatising the results, but they are in line with the actions of many companies which have recently announced poorer profits, job cuts and the shift of production abroad. Ifo said 20 per cent of companies had moved some output from Germany, and 8 per cent had such plans, but figures were higher in the capital goods industry. Of companies with more than 500 employees, 29 per cent had *cut jobs and 36 per cent had* shifted production.

BASF to cut jobs, Page 20

Tokyo announces decline in output

By Stefan Wagstyl in Tokyo

JAPAN'S economy declined in the last three months of 1991, indicating that the country may soon join Britain and other industrialised nations in recession.

Output fell compared with the previous quarter, resulting in the first quarterly fall in economic activity in more than two years.

The decline reflects falling levels of consumption and will increase the pressure on the *Bank of Japan to cut interest* rates, possibly as early as next week.

The stock market was buoyed by the speculation of a cut in the official discount rate and rebounded sharply. It sent the Nikkei index back above the psychologically important 20,000 level.

Investors also took heart from speculation that the government was planning to boost the economy by concentrating public works spending in the first part of the new financial year, which starts next month. The index closed 420 higher on *the day at 20,185.09*.

The economy contracted by 0.2 per cent on an annualised basis in the last quarter of 1991 compared with the previous quarter, according to the government's Economic Planning Agency.

A sharp decline in domestic demand of 2.1 per cent was partly offset by an increase in external demand, composed of a decline in imports and an rise in exports.

The agency admitted that the government's target of 3.7 per cent economic growth in the year to the end of March *now looked unattainable*.

The outturn is likely to be closer to 3.3 per cent – well down on the 5.5 per cent recorded for 1990-91 but still well ahead of most other industrialised countries.

Mr Russel Jones, an economist at UBS Phillips and Drew, the securities company, said: "These figures tell us what we already knew – the economy is weak."

A decline in the Japanese economy in the first quarter of this year, making two successive quarters, would by most yardsticks mean Japan was in *recession*.

Japan last suffered a recession in 1974-75. However, the chances of the first quarter of 1992 recording a decline are slightly reduced by the fact that this is a leap year – so there will be an extra day of economic activity.

EPA officials said the economy was much stronger now than in 1974, pointing out that the 0.2 per cent quarter-on-quarter decline was modest.

Mr Shunji Fukinbara, the agency's deputy director general, said that economic fundamentals remained firm.

Continued on Page 18

Editorial Comment, Page 16
World stock markets, Page 42

Conservatives hit by sharp rise in UK unemployment

By Peter Norman, Philip Stephens and Alison Smith in London

BRITISH unemployment rose *sharply last month to* its highest level since September 1987, giving a jolt yesterday to Conservative confidence in the campaign for the April 9 general election.

Although last month's jobless increase of 40,200 was lower than the 55,900 rise in January, yesterday's announcement marked the 22nd consecutive monthly increase in the number of people out of work and raised the UK unemployment total to a seasonally adjusted 2.65m.

Unemployment now affects 9.4 per cent of the UK workforce and has risen by 1.05m or 66 per cent from its trough in the spring of 1990.

According to internationally standardised figures, the UK now has the third-highest unemployment rate in the industrialised world.

As the first week of the election campaign drew to a close, there was a grudging acceptance yesterday among *senior* Conservatives that the opposition Labour party had got off to the stronger start.

■ *Election '92*, Pages 8-9

■ Joe Rogaly, Page 17

■ Jobless total hits four-year high, Page 7

■ Court of Appeal overturns injunction freezing bank assets, Page 7

■ Editorial Comment, Page 16

■ Lex, Page 18

Despite the volatility in the opinion polls, the underlying message appears to be that the alternative budget announced this week by Mr John Smith, who would become chancellor of the exchequer if Labour won the election, and gloomy eco*nomic news on output and* employment have left the Labour party with a slight lead.

Only three of the last 12 opinion polls have shown a Conservative lead.

The Financial Times' weighted average of the last six polls points to a 2-point Labour advantage.

Mr Neil Kinnock, Labour leader, described the unemployment figures as "utterly appalling". He told a rally in Birmingham that his party's plans for investment, training and reviving confidence would "ignite recovery" after April 9.

His colleagues said the rise in unemployment would keep the economic recession at the centre of the election campaign.

Their confidence was strengthened by evidence that employment grew most sharply last month in the main election battlegrounds than in other parts of the country.

In the traditional Conservative heartland of south-east *England, outside London*,

Continued on Page 18

Weekend FT

Tomorrow: The Falklands — will they be a battleground again?

●

The smooth gambler who beat Trump at the casino game

CONTENTS

A death in Sicily changes Italy's election landscape

The killing of a friend and political ally of the prime minister, Giulio Andreotti, has provoked his ire during the election campaign. Many believe the Mafia was responsible *and that it never acts* without good cause.

Page 2

MARKETS

STERLING
New York lunchtime:
$1.709
London:
$1.7115 (1.7325)
DM2.8575 (2.8575)
FFr9.705 (9.7025)
SFr2.5925 (2.5875)
Y228.0 (228.75)
£ index 89.8 (89.9)

GOLD
New York Comex Apr
$339.1 (353.6)
London:
$336.85 (340.6)

N SEA OIL (Argus)
Brent 15-day Apr
$17.875 (17.825)

Chief price changes yesterday. Page 19

DOLLAR
New York lunchtime:
DM1.672
FFr5.6745
SFr1.5175
Y133.55
London:
DM1.6695 (1.649)
FFr5.67 (5.60)
SFr1.5145 (1.493)
Y133.25 (132.1)
$ index 65.4 (64.9)
Tokyo close: Y132.55

US LUNCHTIME RATES
Fed Funds: $4\frac{1}{16}$%
3-mo Treasury Bills:
4.138%
Long Bond:
$100\frac{13}{32}$
yield: 7.957%

STOCK INDICES
FT-SE 100: Yield 5.00
2,467.6 (+2.9)
FT-A All-Share:
1,186.78 (+0.1%)
FT-SE Eurotrack 100:
1,153.18 (−0.64)
New York lunchtime:
DJ Ind. Av.
3,264.31 (+10.08)
S&P Comp
410.16 (+1.01)
Tokyo: Nikkei
20,185.09 (+420.78)

LONDON MONEY
3-month interbank:
$10\frac{13}{16}$% (same)
Liffe long gilt future:
Jun $94\frac{13}{32}$ (Jun $94\frac{13}{16}$)

Ukrainian confusion on nuclear options

By Chrystia Freeland in Kiev and John Lloyd in Moscow

UKRAINIAN leaders yesterday angrily denied reports that they had reversed their decision to halt the shipment of tactical nuclear missiles to Russia.

They said they were ready to have the weapons dismantled in Russia as originally planned, but only on condition this took place under international supervision, for which no provision has been made.

The denial of both Russian and Nato reports underscores the tense relations between Ukraine and Russia and the confusion surrounding the control of nuclear weapons in the former Soviet Union on the eve of a crucial meeting of leaders of the Commonwealth of Independent States in Kiev.

Mr Anatoli Zlenko, the Ukrainian foreign minister, said that "no-one has revoked the decision of the president." President Leonid Kravchuk last week announced that Ukraine was halting the transfer of the weapons to Russia because it had no guarantees that they were being dismantled.

On Wednesday, President Boris Yeltsin, the Russian leader, was quoted as saying Ukraine had reversed its decision, and this was backed up by a Nato spokesman.

Yesterday western diplomats in Moscow were treating the Ukrainian insistence on international monitoring as a face-saving gesture. They believe Ukraine has indeed submitted to the necessity of returning the missiles to Russia by July because of pressure from western states, particularly the US and Canada.

One western defence attaché said: "I think we can say that this was a false alarm. Once the US and Canada, which have been the most sympathetic to the Ukrainian position, had made it clear they wouldn't wear it, then they are bound to carry out what they had promised." Ukrainian officials admit it was a mistake for Mr Kravchuk not to consult western powers before making his announcement.

Western states, including the US, Britain, and France, have promised technical assistance in the dismantling of the nuclear missiles on Russian territory, although there is no provision for international supervision of the process.

Russian president Boris Yeltsin with European Development Bank president Jacques Attali who is in Moscow to discuss aid

Russian Federation's nationalist enclaves watch breakaway vote

Tatars challenge Yeltsin doctrine

By Leyla Boulton in Kazan

VOTERS in Tatarstan, a small autonomous republic east of Moscow, will tomorrow determine the fate of President Boris Yeltsin's Russian Federation with a referendum on whether to break away from it.

More than four centuries after Ivan the Terrible set fire to Kazan and destroyed the last independent Tatar state, an expected "yes" vote could trigger the collapse of Russia by setting a precedent for the other 19 semi-independent enclaves within the Federation. Russia's constitutional court ruled earlier this week that the Tatar referendum was illegal and Mr Yeltsin yesterday appealed to Tatar officials to halt the vote.

Supporters of President Yeltsin also fear that if seen to allow the disintegration of Russia, the man who once invited autonomous republics to "take as much sovereignty as you can" could be overthrown and the whole course of Russian reform reversed.

Conversely, any attempt to use force will only provoke a violent reaction from Tatars, and jeopardise the fragile stability needed to pursue economic change in Russia.

Tatarstan's once staunchly communist leadership, which embraced last August's coup

but then turned nationalist to stay in power, denies that the poll amounts to a vote on independence. The referendum asks whether Tatarstan should be "a sovereign state, a subject of international law, which builds its relations with the Russian Federation . . . on an equal basis".

Both the Russian government and the local opposition say the question is deliberately ambiguous to fool inhabitants who want more rights but who would never vote for outright secession. It is hard to see what the point of the referendum is if not independence - as Tatar officials obliquely admit after some questioning. "We don't want national independence, but state independence," says the Mayor of Kazan, Mr Kamil Iskhakov, who promises equal rights for Russians and other non-Tatars who make up 51 per cent of Tatarstan's 4m inhabitants.

While some Tatars see independence as a chance to redress the injustice of centuries of Russian domination, most of the nationalism is spawned by economic conditions. With most of the former Soviet Union's natural wealth, including Tatarstan's oil, under state control, independence becomes a means of keeping wealth for the local population rather than giving it to Moscow.

Mr Insaf Rakhimov, deputy director of Tatneft, the republic's state oil company, complained bitterly that at present he can only sell 5m tonnes of oil for the benefit of Tatarstan. The rest of his annual output of 30m tonnes is handed over to Russian authorities for export or for distribution within the rest of the country. To add insult to injury, 50 per cent of the hard currency he makes from his 5m tonnes has to be sold to the Russian central bank for roubles.

"What is this if not theft by Russians?" he asked. Decades of centralised management from Moscow have also meant a wasteful exploitation of deposits and the running down of equipment, now badly in need of replacement. "If I could sell all the oil myself, Tatarstan could be a new Kuwait," he argued, claiming that the profits would be enough not only to finance independence but to buy equipment without having to give oil to foreign investors. Russia's dilemma is that it is too late to reverse nationalism, even if it deals with economic grievances.

Tatar leaders say that even if they get economic independence now, as Russia is offering, it will not be enough to soothe radical Tatar opinion.

The relative calm in Chechnya, the other autonomous republic which is refusing to sign the federal treaty, shows it may be more sensible, however painful to Russian pride, to let the republics go their own way.

As Mr Zinnur Latipov, an opposition deputy, told workers at a Kazan factory this week, the only hope is that the outside world will also ignore Tatarstan. "Not one civilised country in the world will recognise us - perhaps just Libya and Saddam Hussein."

France, Italy and Spain lead revival in car sales

By Kevin Done, Motor Industry Correspondent

NEW CAR sales in western Europe in February rose by 1.3 per cent to an estimated 1.104m helped by higher demand in France, Italy and Spain.

In the first two months of the year sales were 2.2 per cent higher than a year ago at 2.36m according to industry estimates.

Sales for the full year are still expected to show a small decline, but several car makers have revised upwards their forecasts for west European new car sales in recent weeks, due to stronger than expected demand in Germany, France, Italy and Spain in the first two months of the year.

New car sales in February were higher than a year ago in 12 of 17 markets across west Europe and lower in five.

The long-lived recession in the UK deepened further, with sales plunging by 12 per cent in February to 109,414, while sales in Germany fell by around 5.5 per cent from last year's record level to an estimated 324,000.

These declines were compensated, however, by a 4.1 per cent jump in Italian new car sales in February to 224,291, while new car registrations rose by 4.7 per cent in France to 161,100 and by 26 per cent in Spain to 85,479. Among the smaller European markets the strongest growth this year has been achieved in Belgium and Luxembourg, while sales remain weakest in Finland.

Among the volume car makers the Fiat group of Italy, which includes Lancia and Alfa Romeo, narrowly regained second place in the west European sales league, but it continues to lose ground to the Volkswagen group.

The Fiat group's car sales in west Europe fell by an estimated 5.1 per cent in the first two months of the year, while its market share shrank to only 12.9 per cent compared with the commanding 16.9 per cent held by the VW group, which includes Audi, SEAT and Skoda.

Fiat's grip on the domestic Italian market is still slipping alarmingly this year with a fall in its market share in the first two months to 43.5 per cent from 47.4 per cent a year ago.

Ford, which is suffering heavily from its exposure to the depressed UK market, has also slipped back in the first two months with an estimated 4 per cent decline in sales volume across Europe. By contrast Renault is emerging as the fastest growing of the big six volume car makers this year, helped by the success of its Clio small car range. It increased its sales by an estimated 7.6 per cent in the first two months of the year allowing it to raise its share to 10.7 per cent from 10.1 per cent a year ago. BMW has also been boosted significantly by the successful launch of its new generation 3-series.

WEST EUROPEAN NEW CAR REGISTRATIONS
January-February 1992

	Volume (Units)	Volume Change(%)	Share (%) Jan-Feb '92	Share (%) Jan-Feb 91
TOTAL MARKET	2,360,000	+2.2	100.0	100.0
MANUFACTURERS:				
Volkswagen**(incl. Audi,SEAT&Skoda)	399,000	+6.3	16.9	16.2
Fiat (incl.Lancia, Alfa Romeo,Ferrari Innocenti,Maserati)	304,000	−5.1	12.9	13.9
General Motors (Opel/Vauxhall, US# & Saab)	301,000	+3.2	12.8	12.6
– Opel/Vauxhall	290,000	+3.4	12.3	12.2
– Saab**	9,000	−1.1	0.4	0.4
Peugeot (incl. Citroen)	284,000	+6.8	12.0	11.5
Ford (Europe, US# & Jaguar)	275,000	−4.0	11.6	12.4
– Ford Europe	272,000	−4.0	11.5	12.3
– Jaguar	2,000	−23.4	0.1	0.1
Renault††	252,000	+7.6	10.7	10.1
Mercedes-Benz	77,000	−6.2	3.3	3.6
BMW	76,000	+25.2	3.2	2.6
Nissan	72,000	+8.1	3.0	2.9
Rover†	52,000	−21.9	2.2	2.9
Toyota	52,000	+0.3	2.2	2.3
Mazda	43,000	−9.0	1.8	2.0
Volvo††	37,000	+3.7	1.6	1.6
Honda†	27,000	+12.4	1.1	1.0
Mitsubishi	25,000	−14.1	1.1	1.3
Total Japanese	256,000	+0.8	10.9	11.0
MARKETS:				
Germany	655,000	−1.1	27.8	28.7
Italy	459,000	+0.6	19.5	19.8
France	340,000	+2.0	14.4	14.4
United Kingdom	263,000	−8.6	11.1	12.4
Spain	172,000	+28.7	7.3	5.8

#Cars imported from US and sold in western Europe.
*VW holds 31 per cent and management control of Skoda.
**GM holds 50 per cent and management control of Saab Automobile.
†Honda holds a 20 per cent stake in Rover vehicle operations.
††Renault and Volvo are linked through minority cross-shareholdings.
Source : Industry estimates

East German struggle to escape depression

HUGE amounts of aid have still not delivered a self-sustaining economic recovery in east Germany, a government report said yesterday, Reuter reports from Berlin.

"The economy has still not come out of its depression," said a study by the DIW and Kiel research institutes, a quarterly review commissioned by the government.

The study follows a critical report issued on Wednesday by the Bundesbank which said Germany may have to raise taxes to pay for the spiralling costs of unification. The latest report said it was wrong to rely purely on west German aid and western investment to rescue the east, but noted east German companies could not build up their own investments because of high wage rises.

Estimated investments this year of DM12,000 ($7,273) per job in east Germany were only one third of the amount pledged in west Germany. Nearly 3½m jobs have been lost in the east since unification. But the report said that east German industry, suffering from high wages, outmoded products, overmanning and decrepit machinery, was still a long way from becoming competitive.

The depressed region benefited from DM140bn ($85bn) in aid in 1991 and another DM180bn this year, but most of this sum has gone into social security payments rather than investment.

Karabakh dispute leads to rationing

ARMENIA began rationing electricity yesterday under a state of economic emergency stemming from its conflict with Azerbaijan over Nagorno-Karabakh, Reuter reports from Moscow.

Despite a flurry of international peace missions – including a fact-finding trip by United Nations envoy, Mr Cyrus Vance – a solution to the crisis over the disputed enclave seemed no closer.

In the Armenian capital Yerevan, the government said power supplies would be switched off for 12 hours each day because a blockade by neighbouring Azerbaijan had shut off supply lines. Factories, until now spared the worst of the austerity measures, would face the same power cuts as households, it said.

OECD warning on high cost of decentralisation

Spain's regional dilemma

By Peter Bruce in Madrid

THE decentralisation of power to the Spanish regions is costing the country dear and hampering Madrid's efforts to cut the central budget deficit, according to the Organisation for Economic Co-operation and Development (OECD).

In its report on the Spanish economy, the OECD also warns that the slowdown in economic activity will make it difficult to lower the deficit to a targeted 1.9 per cent of GDP this year as revenues fall and social spending rises. Spain recorded a deficit of 2.5 per cent of GDP last year after budgeting for less than 1 per cent.

Spain's 17 autonomous regions were guaranteed new powers under the 1979 Constitution. But in the last four years, says the OECD, the transfer of powers has increased public sector employment in the regions by 31 per cent, or 100,000 people. Despite this, central government employment, which should have been falling, has risen.

Rapidly increasing spending by the regions is easily outstripping the rate at which the central government deficit is shrinking. Regional government deficits, which accounted for 0.3 per cent of GDP in 1985, now account for 1.5 per cent.

While much of this could be justified, the OECD says, "there has also been considerable overspending on prestige projects, high salaries (often higher than central government packages), immoderate recruitment and spending to placate local lobbies" - the last referring to heavy spending on loss-making regional public television networks.

The report says that growing social welfare commitments from the central budget, especially disability payment (temporary disability expenditure has risen 41 per cent in two years) are probably impossible to reverse in the short term but urges Madrid to make the system more cost-effective. It says there is widespread fraud in the system of invalid pensions and that tax evasion remains high. The declared average income of self-employed business people in 1990 was about 40 per cent lower than that of wage earners.

The OECD report will prove useful to the finance minister, Mr Carlos Solchaga, who this year is preparing to attack a wide range of structural rigidities - in the labour markets, the civil service and public sector industries. He is attempting to make the economy more responsive to policy decisions in the run-up to European Monetary Union.

French students in election manoeuvre

By Ian Davidson in Paris

THOUSANDS of French university and secondary school students marched in procession in the streets of Paris yesterday to protest against the government's plans to reform university education.

The timing of the demonstration, the third such protest march in a month, was deliberately chosen by the students to put maximum pressure on the government in the immediate run-up to Sunday's regional elections, which are expected to show a substantial loss of support for the socialists.

Yesterday's student march came in the wake of a demonstration on Wednesday, staged by left-wing and human rights groups protesting against the regional election campaign of Mr Jean-Marie Le Pen, leader of the extreme right-wing National Front. The far right is expected to make large gains in Sunday's vote, with perhaps 15 per cent of the total.

A fringe element of the anti-NF march erupted in violence, in which a small group of left-wing extremists broke shop windows and overturned cars. The government's educational reform plan is intended to streamline the university system so as to reduce the very high failure rate for first-degree students. The first two years of first-degree courses would be made less specialised.

Courses would be made more modular, with the acquisition of course credits. Students would receive more tutoring.

But this reform plan, like so many previous plans, has met outright rejection from student activists. Some charge it is a way either of making the universities more selective, others that it is designed to downgrade university degrees.

Danish central bank sees few problems in Emu

ECONOMIC and Monetary Union (Emu) in the European Community will cause no significant problems for Denmark, according to the annual report from Denmark's Nationalbank (central bank), writes Hilary Barnes in Copenhagen.

The Danish economy currently meets all economic convergence criteria laid down by the Maastricht treaty, the bank said. Loss of sovereignty when Emu is completed will be more formal than real, said the bank, as Denmark's monetary policy is already tied to developments in the leading member countries of the European Monetary System.

It will mean that the country has to devolve sovereignty in this area of policy, but in exchange the Nationalbank will gain influence over future EC policy instead of having to follow the decisions taken by others, as at present, said the bank. Denmark has already achieved the benefits which will arise from the establishment of Emu, it added.

Finland sees EC entry by 1995

Finland's prime minister, Mr Esko Aho, said yesterday that 1995 was a "desirable and possible" date for his country's entry into the European Community, AP reports from Lisbon. He was speaking the day after Finland applied for membership. Mr Aho will hold talks today with the Portuguese government ministers.

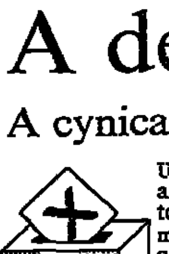
The Financial Times (Europe) Ltd
Published by The Financial Times (Europe) Ltd., Frankfurt Branch, Nibelungenplatz 3, 6000 Frankfurt-am-Main 1; Telephone 49 69 156850; Fax 49 69 5964481; Telex 416193. Represented by E. Hugo, Frankfurt/Main, and, as members of the Board of Directors, R.A.F. McClean, G.T.S. Damer, A.C. Miller, D.E.P. Palmer, London. Printer: DVM GmbH-Hürriyet International, 6078 Neu-Isenberg 4, Frankfurt. Responsible editor: Richard Lambert, Financial Times, Number One Southwark Bridge, London SE1 9HL. The Financial Times Ltd, 1992.

Registered office: Number One, Southwark Bridge, London SE1 9HL. Company incorporated under the laws of England and Wales. Chairman: D.E.P. Palmer. Main shareholders: The Financial Times Limited, The Financial News Limited. Publishing director: J. Rolley, 168 Rue de Rivoli, 75044 Paris Cedex 01. Tel: (01) 4297 0621; Fax: (01) 4297 0629. Editor: Richard Lambert. Printer: SA Nord Eclair, 15/21 Rue de Caire, 59100 Roubaix Cedex 1. ISSN: ISSN 1148-2753. Commission Paritaire No 67808D.

Financial Times (Scandinavia) Vimmelskaftet 42A, DK-1161 Copenhagen-K, Denmark. Telephone (33) 13 44 41. Fax (33) 935335.

A death in Sicily changes the election landscape in Italy

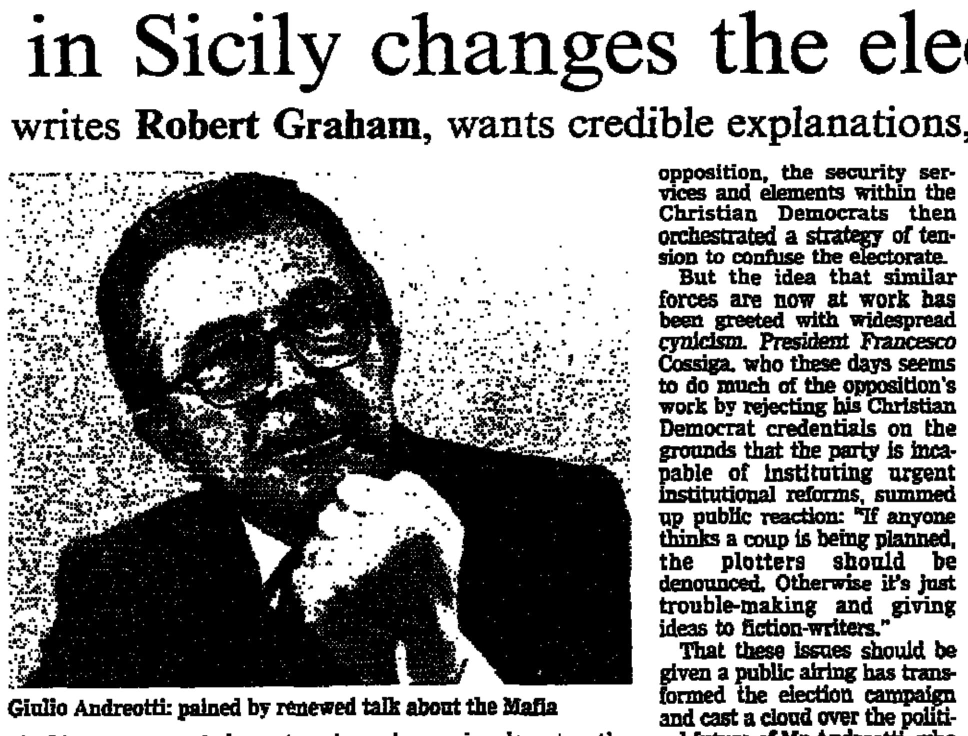
A cynical public, writes **Robert Graham**, wants credible explanations, not vague warnings from the Christian Democrats



Unflappable and long-used to parrying the most direct questions with sybilline ambiguity, Mr Giulio Andreotti, the outgoing Italian prime minister, rarely loses his cool in public. But the killing last Thursday in Palermo of Mr Salvatore Lima, who was Mr Andreotti's friend and the most powerful Christian Democrat politician in Sicily, has provoked his sustained ire.

What has pained him most has been renewed talk of his late friend's involvement with the Mafia. Nevertheless, the killing, which magistrates and much of the public assume was on Mafia orders, has not only unsettled Mr Andreotti. It has again brought to the fore, at a most sensitive moment in the country's general election campaign, an assertion in which almost every Italian believes: "The Mafia never acts without good cause."

The Christian Democrats, and particularly Mr Andreotti, whose faction within the party



Giulio Andreotti: pained by renewed talk about the Mafia

Mr Lima supported, have to explain why the Mafia might choose to eliminate the man who delivered the party's large Sicilian vote. But, rather than provide a credible explanation, the government has begun to mutter darkly about a plan to destabilise Italy. On Wednesday, the Ministry of Interior issued a circular to the nation's 92 civil governors specifically warning of a campaign to destabilise the elections.

Something like this occurred in the 1970s, when Italy faced the prospect of "an historic compromise" between the Christian Democrats and the Communists. The mainstream opposition, the security services and elements within the Christian Democrats then orchestrated a strategy of tension to confuse the electorate.

But the idea that similar forces are now at work has been greeted with widespread cynicism. President Francesco Cossiga, who these days seems to do much of the opposition's work by rejecting his Christian Democrat credentials on the grounds that the party is incapable of instituting urgent institutional reforms, summed up public reaction: "If anyone thinks a coup is being planned, the plotters should be denounced. Otherwise it's just trouble-making and giving ideas to fiction-writers."

That these issues should be given a public airing has transformed the election campaign and cast a cloud over the political future of Mr Andreotti, who as seven times prime minister has his sights on the presidency after the April 5 poll. It also makes the Christian Democrats ever more awkward allies in what is bound to be a fresh coalition government after the elections.

Christian Democrat election strategy until Mr Lima's death was based on the assumption that votes would be lost in the North to the populist Lombard League and the small Republican Party (PRI) but would be offset by gains in the South, especially in Sicily, where old-style political patronage still holds sway. Lombardy and Sicily are the two regions with the largest number of voters. Thus, while in the North the Christian Democrat vote could fall below 30 per cent, it could be above 40 per cent in the South. This would give the party its traditional third of the national vote.

It is possible that the Christian Democrats can successfully play on a vote of fear, especially if further prominent killings occur. But the "fear vote" has always been based on apprehensions in a Catholic country of a Communist-dominated government. As Prof Paul Ginsborg wrote in his study of contemporary Italian politics: "To hold power in the face of the (Communist) enemy became almost an end in itself, to which essential reforms were to be subordinated." However, the threat no longer exists, and the electorate knows, as the government has also been saying in its saner moments, that the challenge is to create the conditions for convergence with Europe.

The killing has also exposed another uncomfortable reality: the dependence of the Christian Democrats and, to a lesser extent, their Socialist partners on organised crime for part of their vote in the South.

As much as 10 per cent of the vote in the South is reckoned to be controlled directly by organised crime with a further 25 per cent "tainted," according to a recent article by the weekly newspaper *Il Mundo*. In other words, while the state is formally at war with the Mafia, at the level of local politics, a complicity exists.

This state of affairs led Mr Leoluca Orlando, a former Christian Democrat mayor of Palermo, to break with his party in Sicily (controlled by Mr Lima) and form a rival grouping campaigning for clean government, La Rete (The Network). The latter picked up 8 per cent of the vote in last year's regional elections in Sicily and could be a significant beneficiary of the Lima affair.

The impact of the Lima affair also has to be seen in the context of a ruling party riven by internal factions and run by a diminishing number of political heavyweights. An ageing and tarnished Andreotti leaves only Mr Arnoldo Forlani, the party secretary, and Mr Ciriaco de Mita, the president, as experienced players with significant support bases.

The sole new blood is Mr Mario Segni, the son of a former president, who is pledged to carry out a series of referendums on institutional reform on a cross-party basis. And it is not clear how long Mr Segni will choose to remain inside the party.

Although the Christian Democrats continue to control the levers of power, from 4,163 of the 8,100 mayors, to the security services and the major state corporations, the present circumstances do not afford a comfortable base on which to fight an election and defend a record of 46 years' uninterrupted government.

Bérégovoy to boost ownership of shares

By Alice Rawsthorn in Paris

MR Pierre Bérégovoy, the French finance minister, yesterday announced proposals to introduce a FFr600,000 ($30,447) personal equity plan as the linchpin of his initiative to create a "shareholder's democracy" in France.

The new personal equity plan, which will have a tax-free element and a six-year life-span, is a short-term savings vehicle to be launched as part of a longer-term programme to reform the French pension system. Details will be announced during the spring session of the National Assembly.

Pension reform has important implications for France's financial markets as it should provide an influx of investment to resolve the long-term problem of poor liquidity. However, the financial community was disappointed by the announcement earlier this week that Mr Bérégovoy had abandoned plans to launch corporate pension funds in France.

The initiative comes at a time of sweeping change within the French financial system. The government is currently reviewing the legislation on takeovers. This week the Conseil des Bourses de Valeurs, the stock market regulator, voiced its support for proposals to abolish the rule whereby predators can mount "partial bids" for two-thirds of a company's equity in favour of forcing them to make full offers for 100 per cent.

Bérégovoy: initiative

Rival poll claims amid Albania's dire poverty

ALBANIA'S former communists and their opponents both predicted victory yesterday in the last days of a bitter election campaign in a country so poor it can barely afford election posters, AP reports from Tirana.

"The opposition will win," Mr Aleksander Meksi, deputy chairman of the anti-communist Democratic Party said flatly. "The fear has gone and there are few possibilities to manipulate results."

But the leader of the Socialist Party, the former communists, predicted his party would win Sunday's vote, the second in the year since Europe's poorest country ended more than four decades of Stalinist rule.

"I am confident we will emerge as the largest single party in the country," said socialist Mr Fatos Nano, "because we are offering a radical transformation of society specifically adjusted to Albanian conditions."

Last March, the Democratic Party had been in existence for only three months, but provided a strong challenge, winning 75 of 250 seats.

This year, 11 parties are running a total of 521 candidates under a new election law that will reduce the number of parliamentary seats by two fifths.

Under a mixed system of direct and proportionally allotted seats, the new parliament will have between 140 and 155 seats depending on how many parties receive at least 4 per cent of the vote.

Besides the Democrats and the Socialists, the two strongest parties are the Social Democrats and the conservative Republicans.

Tirana is virtually without election posters because of a shortage of paper. Those few printed are often torn down by political rivals.

Many Albanians lack even the basic necessities. Small children, dirty and in rags, approach foreigners begging for money in Tirana. More than half the workforce is jobless and is supported by the government printing money.

Electricity and water are sporadic. Foreign food aid feeds most of the population, and several people have been killed in food riots at government warehouses. Much aid is not easily distributed because of a lack of transportation.

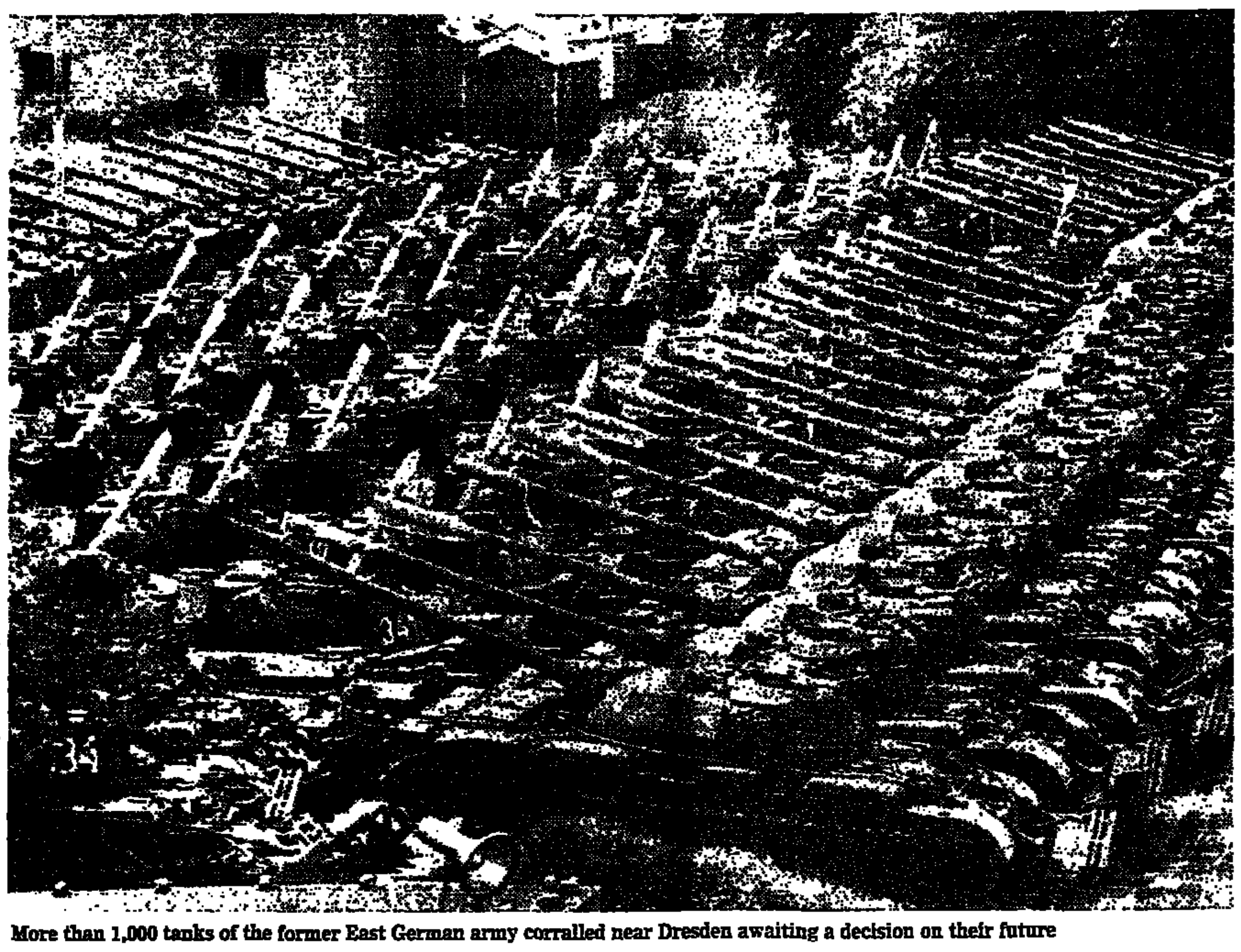
Mr Meksi said his anti-communist party, which has had US diplomats and other westerners speaking at its rallies, stands the best chance to obtain enough foreign aid to end despair. "I know for sure that the Socialist party will be unable to do anything," should it win the elections.

He said if the socialists win, strikes and other protests will deepen Albania's chaos.

On the hustings, Democratic Party leaders have drawn surprisingly large audiences in rural areas, many of which voted communist a year ago.

Mr Nano, while predicting victory for his socialists, warned that Albania is so polarised that one party cannot govern alone. He said he preferred a coalition government of experts.

President Ramiz Alia, the former Communist party chief who permitted political reforms under intense public pressure in late 1990, wants political parties to co-operate.



More than 1,000 tanks of the former East German army corralled near Dresden awaiting a decision on their future

East German sports hothouse runs out of steam

The former communist state's athletics prowess will soon die along with its sponsors, writes Leslie Colitt

ATHLETES from the former East Germany won nine out of the 10 gold medals for the victorious German team at the Winter Olympics. This lent weight to predictions that united Germany will be a world-beating sports superpower.

But trainers and sport club managers in east Germany are pessimistic. "By 1996 Germany will be lucky to win five gold medals in the winter games," says Mr Klaus Schönberger, manager of the TSC sport club in east Berlin.

He said the foundation of the east German sport system, the selection and training of athletes at an early age, was being rapidly dismantled.

Unlike communist East Germany, which used politicised sport to make its mark internationally, the Bonn government did not appear to want to use sport for prestige purposes.

"Democratically elected governments exist for four years and not until the year 2000 (when Berlin is vying to hold the summer Olympic games)," Mr Schönberger said.

Several east German trainers have given up on the prospects of competitive sport in Germany and have gone to coach athletes in the US, Britain and Austria. Those who remain are mostly unemployed. The sport training centres which blanketed east Germany were closed down last year when the east German sport federation DTSB was dissolved.

Mr Schönberger managed to retain a hard core of trainers for his club by registering them with the Labour Office for a job creation programme. Now they work for other city agencies but still find time to train athletes.

Disclosures that east Germany's champion sprinter, Katrin Krabbe, and two of her teammates from the Neubrandenburg sport club falsified their urine samples in a doping inquiry have led to charges that east German sport was riddled with malpractices. Mr Schönberger, a former GDR record-holding hurdler, admitted that trainers worked with researchers in the Institute for Physical Culture and Sport in Leipzig – ironically, taken over by west Germany - to develop techniques using drugs for track and field athletes, swimmers and weightlifters.

Mr Manfred Ewald, the supremo of east German sport, was fully aware of this, he said. Drug use, however, was no more prevalent in east Germany than in the west. The essential difference was that while athletes in the west were individually responsible for taking anabolic drugs, eastern athletes had little choice if their trainers told them to do so.

The three suspended Neubrandenburg sprinters as well as their club and its sponsor are under a heavy cloud of suspicion. But club athletes and residents of Neubrandenburg demonstratively support the young women. Several of them suggested there was a western "plot" against east German athletes.

While east German athletes quickly adapted to commercialised sport in the west, many of them believe it is short-sighted even from the standpoint of sponsors. Jacqueline Börner, who trains at TSC and won the gold medal at the Winter Olympics in the 1,500 metre speed skating event, complained that sponsors were only interested in promoting top-performing athletes but not in backing promising young talent. Thus a leading German car manufacturer handed out cars "left and right" to top athletes but did little to support the essential training of juniors.

One of the reasons the east German sport machine worked so well is that it provided incentives for athletes. An Olympic gold medal was worth 20,000 Marks, silver 15,000 Marks and bronze 10,000 Marks, although not much could be bought for the money. Much more important was the opportunity to buy a car without waiting ten years or to get a new flat.

The opportunity to travel was also an important inducement. The only others allowed to travel to the west were pensioners.

Mr Ewald, whose east Berlin flat is filled with souvenirs of his travels as president of the DTSB, proudly recalled that he convinced Mr Erich Honecker, the East German leader, that top athletes, their wives and husbands, trainers and masseurs should be rewarded with cruises to Cuba and the Mediterranean.

As the principal architect of the East German sport machine, Mr Ewald, a member of the party's central committee, was convinced it was one of the best investments the leadership made.

Although he is relentlessly attacked by the German media over drugs use as well as for allegedly allowing the Stasi security police to harass athletes, he denies any wrongdoing. Mr Ewald insists that ordinary east Germans, who were sport-mad under the communist system, still believed in him although they had lost their faith in socialism.

UN reduces peace budget

By Michael Littlejohns at the UN, New York

THE UN General Assembly yesterday approved a $250m budget for the 14,000 Yugoslav peacekeepers.

This is much less than the first estimate of $633m. That amount startled Security Council members, bringing demands for sharp reductions partly by having the Yugoslav parties bear a greater share.

Prague eases monetary controls

The Czechoslovak central bank will ease its tight monetary policy by allowing a 10 per cent increase in credits to enterprises, writes Ariane Genillard in Prague.

The decision follows two months of very low inflation, at 1 per cent in January and 0.5 per cent in February.

S African budget runs into criticism

By Philip Gawith in Cape Town

SOUTH AFRICA'S budget fails to address the country's structural economic problems and is a short-term political expedient, economists and businessmen said yesterday.

The budget was described at a post-budget seminar in Cape Town as a holding affair, overshadowed in its implications by the positive outcome of the referendum on constitutional reform.

It lacked a strategy for long-term growth and its public spending and borrowing levels were too high. The budget deficit for 1992-93 is estimated at 4.5 per cent of gross domestic product.

The need to improve the growth rate was underlined by the release of the Reserve Bank's quarterly bulletin on the economy which revealed that the downturn in economic activity had deepened in the fourth quarter of 1991. GDP in the period fell at an annualised rate of 0.5 per cent. The economy has been in recession for three years.

The bank noted that with real GNP per capita having declined to R3,275 (£660) per capita in 1991 from R3,905 in 1981, it was "important to restructure the economy in order to improve its production potential".

Professor Brian Kantor of the University of Cape Town said yesterday the budget contained few such initiatives.

Mr Gerhard Croeser, director general of the Department of Finance said the government's constrained revenue position had "this year made it virtually impossible to do much about growth". However, the previous two budgets had contained important supply-side initiatives, he said.

Dr Jaap Meijer, deputy governor of the Reserve Bank said yesterday the budget did not appear to have done anything that would facilitate a cut in interest rates. He said Dr Chris Stals, the governor, would soon be making a statement about interest rates.

Increased social spending and a narrowing of the gap in spending on blacks and whites was criticised by Mr Tito Mboweni of the African National Congress, as "throwing money at the problem and not trying to resolve it."

The most significant concession to business in Tuesday's budget came in the form of expanded incentives for industrial investment with tax concessions for importers of raw materials.

The stock market received a boost in the form of reducing from 10 to 5 years the period before which the disposal of shares will attract income tax.

Economists and businessmen at yesterday's seminar suggested that while the referendum result was positive, the business community itself would have to ensure that sufficient attention was paid during the move to a new constitution to the needs of business and the economy.

Ethiopians flee into Kenya

AT LEAST 10,000 southern Ethiopians have fled over the Kenyan border in the past two weeks, fleeing tribal warfare and drought, Mr Abadi Zemo, deputy head of the state Relief and Rehabilitation Commission, said yesterday, Reuter reports from Addis Ababa.

An official of the United Nations High Commissioner for Refugees said in Nairobi that over the last 10 days as many as 2,000 Ethiopians had arrived each day at Walda camp near the border town of Moyale, 550 km north of the Kenyan capital.

Loan row points up Israeli military reliance on US

Hugh Carnegy reports most weapons are US supplied and financed: loss of advanced technology would be a hard blow

THE DISPUTE between Israel and Washington over the issues of loan guarantees and alleged Israeli sales of sensitive US weapons technology has underscored the extent to which Israel has become dependent on US aid, both in the economy as a whole, but also particularly for its military strength.

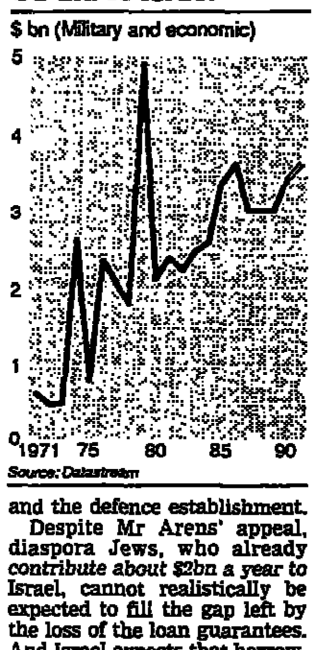
Government ministers have responded defiantly to Washington's refusal to grant $10bn (£5.7bn) in loan guarantees to help settle thousands of Jewish immigrants from the former Soviet Union unless Israel halts Jewish settlement in the occupied territories.

Mr Moshe Arens, the defence minister, has said Israel will not "crawl or beg for help" and that it will look to world Jewry for the funds instead.

But Israeli leaders know it will be hard to cope with any significant reduction in the levels of US aid. The failure to secure the loan guarantees and the implicit threat of reduced access to US military assistance if abuse of US technology is proved has sent a shudder of alarm through the government

US aid to Israel

$ bn (Military and economic)



Source: Datastream

and the defence establishment.

Despite Mr Arens' appeal, diaspora Jews, who already contribute about $2bn a year to Israel, cannot realistically be expected to fill the gap left by the loss of the loan guarantees. And Israel expects that borrowing large amounts on world markets without the guarantees would be very hard.

Mr Jacob Frenkel, the governor of the Bank of Israel, said a programme of tough spending cuts, possibly on social spending, and accelerated reforms to promote growth and investment would be necessary.

However, the deeper concern raised by the US stance on the guarantees, and a political climate in Washington less sympathetic to foreign aid than in the past, is that it may presage a decline in the traditional high level of economic aid Israel has received annually from the US for the past 20 years and more.

US government aid to Israel has totalled around $40bn since the establishment of the state in 1948. Since the early 1980s, combined annual economic and military aid of around $3bn has all been in grant form, in effect lifting the burden of Israel's foreign debt and allowing Israel to maintain rates of military spending at times amounting to more than 20 per cent of gross domestic product.

As Mr James Baker, US secretary of state, remarked tartly in evidence to Congress, the reason Israel has a good debt repayment record is because the US provided the dollars with which to pay it back.

In 1991, US aid went up to close to $4bn because of emergency help for Gulf war expenditures. This amounted to some 8 per cent of GDP. In contrast, net foreign investment was negative for both of past two years.

Critics of the Israeli economy argue persuasively that US aid has been a factor in Israel's poor growth record since the 1970s by fuelling misallocation of resources and blunting the incentive to introduce market reforms to the state-dominated economy. But it is clear any big reduction would be extremely painful in the short term.

Nowhere would this be felt more than by the military. A recent study for Tel Aviv University's Jaffee Centre for Strategic Studies* says Israel's ability to finance military acquisitions rests on US security assistance, which makes up $1.8bn of the annual aid package. This accounts for an average of more than 30 per cent of the defence budget and may have reached half in 1991.

"This reliance on Washington for the flow of arms goes much deeper than the financial sector," the study says. "For not only is the US the principal funder of weapons acquisition, it is the number one provider as well."

Military experts have been quick to point out that any reduction in military assistance – or blocking of access to technology – would be extremely damaging. Since France cut off arms supplies in 1967, Israel's main weapons systems have become US supplied or financed, or both. Access to US technology has been a vital part in maintaining Israel's crucial "qualitative edge" over its Arab foes.

US systems used by Israel include its frontline F-15 and F-16 aircraft, Apache helicopters and radar surveillance aircraft. "Even Israel's main battle tank, the Merkava, has been built in large part by US investment capital," says the Jaffee Centre study.

The US is funding the development of the Arrow ballistic missile interceptor, the Israeli-made weapon which Israel intends to be its main defence against missiles such as the Scud rockets fired at it by Iraq during the Gulf war.

Under offset terms attached to the US military aid, $375m can be spent by Israel in Israel and $100m by the US in Israel, a vital source of business for the country's indigenous military industries. These also benefit from annual Pentagon purchases from Israel of $250m.

Israeli officials and US diplomats say that the current disputes between them have not compromised Washington's commitment to support Israel's security.

But Mr Binyamin Netanyahu, junior minister in the office of Mr Yitzhak Shamir, the prime minister, said in a radio interview this week that Israelis should be ready for a decline in aid. "We are entering a decade in which we will no longer be able to depend on American aid," he said.

*Rearming Israel: Defence Procurement through the 1990s, JCSS 1991. Published by the Jerusalem Post, PO Box 81, Jerusalem 91000.

Israeli soldiers shot dead two Palestinians in the occupied West Bank, security sources said yesterday, Reuter reports from Jerusalem. The bodies of two other Arabs, believed to have been killed by fellow Palestinians on suspicion of collaborating with the Israeli security services, were found yesterday in the West Bank and Gaza Strip, they added. Soldiers, trying to impose a curfew on the West Bank village of Kifel Hareth near Nablus, shot dead a 16-year-old boy when youths set up roadblocks and stoned troops on Wednesday night. Palestinians said the army imposed the curfew after armed Jews from the anti-Arab Kach movement threatened villagers. About 50 Jewish settlers, some armed, rampaged through Qira village near Kifel Hareth yesterday morning smashing property including the mosque.

Guerrilla groups spurn Najibullah offer to resign

PAKISTAN yesterday welcomed an offer by Afghanistan's President Najibullah to step down in favour of an interim government proposed by the United Nations, but the offer was dismissed by the guerrilla groups in exile in Pakistan, agencies report from Islamabad.

Mr Mohammed Siddique Khan Kanju, Pakistan's minister of state for foreign affairs, said Mr Najibullah's announcement would ease plans for an Afghan assembly representing all sides. The UN plans to convene the assembly in late April in Vienna or Geneva as a prelude to the interim government.

"We view this development positively and believe that it will greatly facilitate the UN process aimed at the transfer of power to an Islamic interim government," Mr Kanju said.

Mr Najibullah, after talks with Mr Benon Sevan, a UN special envoy, offered to step down as soon as the interim government was formed as part of a UN peace plan to end 13 years of civil war.

The UN plan is backed by moderate guerrilla groups as well as Pakistan and Iran, which between them play host to more than 5m Afghan refugees and the guerrilla groups. It envisages a ceasefire and elections.

Pakistan has served as the main conduit for western arms previously supplied to guerrillas. It is now keen to use the Afghan land route to establish commercial links with the Moslem-dominated former Soviet republics in Central Asia.

Radical mujahideen guerrilla groups, who reject the UN plan as a conspiracy to deprive them of power, said Mr Najibullah should resign at once. Mr Gulbuddin Hekmatyar, a hardline guerrilla leader, said: "Najibullah has no option but to resign because he is quickly losing control over the situation."

Mr Hekmatyar said power must be transferred to an interim government "which comprises good Moslems and is acceptable to all sides". That should be followed by a ceasefire and elections within one year of the power transfer, he said.

Mr Burhanuddin Rabbani, the Jamiat-i-Islami guerrilla party leader, who has refrained from outrightly rejecting the UN plan like other radicals, called Mr Najibullah's offer a move forward but said it was not enough. He proposed that the mujahideen create an interim administration of their own to provide security in "liberated areas".

Critics of Banda hold conference in Lusaka

MALAWIAN exiles and critics of President Kamuzu Banda's government hold a conference in Lusaka today to discuss prospects for democratic change in their country, Reuter reports from Lusaka.

The three-day meeting in the Zambian capital of Lusaka, which follows calls within Malawi for democratic reform, will bring together exiles from a number of countries, including Europe and North America.

"The economic, social and political order in Malawi is... in a state of paralysis," one of the Lusaka conference organisers, Mr Mapopa Chipeta of the Southern Africa Institute for Research and Policy Studies in Harare, said yesterday. "The atmosphere is pregnant with expectations of major changes."

Malawi, a small state with a population of 8.5m, has been tightly ruled by Mr Banda, 93, since independence from Britain in 1964. He outlawed all opposition parties shortly after taking power.

Roman Catholic bishops in Malawi issued a pastoral letter on March 8 criticising the government's human rights record and calling for democratic reform. Mr Banda on Tuesday said Malawi guaranteed freedom of religion but warned that churches should stay out of politics.

Mr Chafukwa Chihana, general secretary of the Southern African Trade Union Co-ordinating Council and one of the Lusaka meeting delegates, called on all churches in Malawi to join the Catholic bishops in criticising the government.

Zimbabwe MPs pass bill to seize land

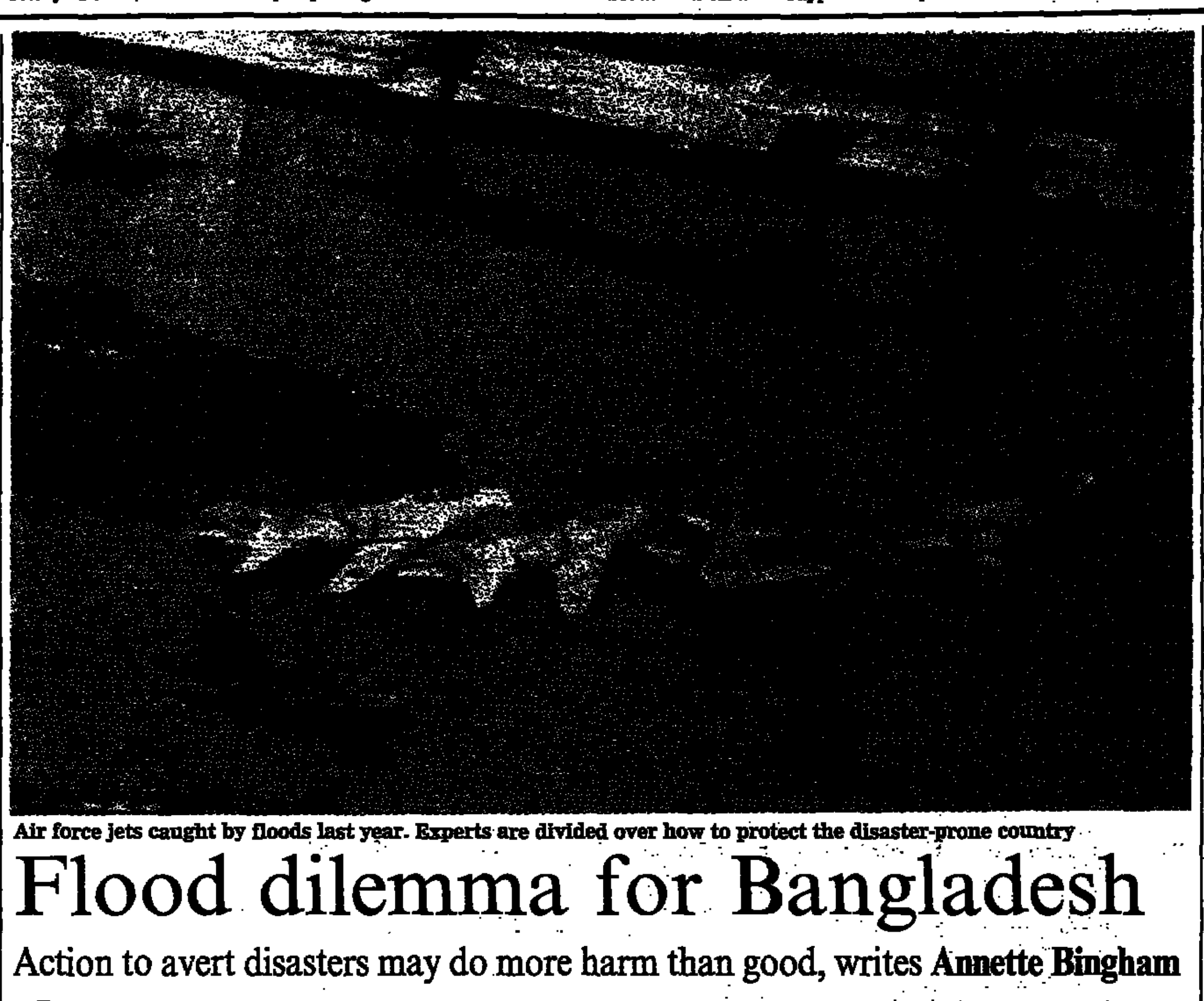
ZIMBABWE'S parliament yesterday passed a controversial land bill which will allow the state to seize land from white commercial farmers for redistribution to black peasants, Reuter reports from Harare.

But the 150-member parliament dropped some elements of the Land Acquisition Bill which a parliamentary legal committee said violated the constitution.

One deleted clause, denying farmers the right to challenge compensation payments in court, was hotly contested by Zimbabwe's 4,500 commercial farmers.

A clause that empowers the agriculture minister to designate land for redistribution was retained despite farmers' protests.

The government says it plans to reallocate 5.5m hectares, just over half the white farming community's land, to hundreds of thousands of peasants living in overcrowded conditions.



Air force jets caught by floods last year. Experts are divided over how to protect the disaster-prone country

Flood dilemma for Bangladesh

Action to avert disasters may do more harm than good, writes **Annette Bingham**

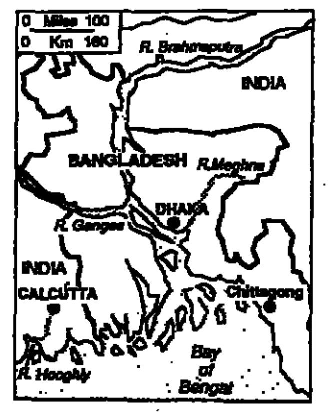
ONE THIRD of Bangladesh will slip under water in the next three months as monsoon rains swell the rivers of the Ganges delta. If rainfall is exceptional, many will lose their lives or their livelihood. Communications will be cut, schools closed and infrastructure destroyed before the rivers recede.

There are few years when Bangladesh is not affected by floods. But the extent to which rivers and floods should be controlled is disputed.

Mr William Smith of the World Bank, which is co-ordinating the efforts of donor countries to improve flood protection in Bangladesh, said solutions had to be tailored to regions and types of floods. "It is not a choice between non-structural or structural solutions: or between the embankment approach or the no-embankment approach. It just isn't that simple," he told a recent meeting in Dhaka between donor countries and the Bangladesh government.

Environmentalists are worried that structures such as embankments will alter the ecology of the delta, disrupt fisheries, drain wetlands and possibly cause more harm than good. The counter argument is that disastrous floods are an environmental hazard for 110m people: and the persistent risk of floods is hampering the country's development.

After the 1988 floods, which killed 2,000 and flooded almost 100,000 square kilometres of farmland, donor countries clubbed together under the World Bank to institute a Flood Action Plan to determine what scale of protection was possible.



The dilemma is how to curtail the adverse effects of flood without undue disruption to the floodplain ecology upon which many people depend. This central problem emerges from detailed studies, costing $150m, which have just started. The Dhaka meeting was the first opportunity for open dialogue between the government, the international teams working on studies, and the critics.

The country consists of the delta of three major river systems, the Ganges, Brahmaputra and Meghna. Bangladesh has no control over the vast majority of the river water which pours into its territory because only 8 per cent of the catchment area falls within its borders.

In some parts of the country, embankments are needed to protect the dry-season rice crop from early floods: in other areas, for example the Sylhet Depression in the north-east, deep floods occur every year and the situation cannot be changed.

In the centre of the country one of the greatest flood risks comes from the Brahmaputra river which is up to 15km wide and has a peak flow of 100,000 cubic metres per second, exceeded only by the Amazon. Breaches in its banks are already causing water to flow from the Brahmaputra into a smaller river, the Bangali, which is two kilometres away.

Engineers say one exceptional flood could cause the Brahmaputra to change course completely and pour into the Bangali. If this were to happen, 5m people would be cut off. The river's course is being studied as an urgent priority by German and French, British and Chinese teams.

Complex issues of population growth and the economies of the national drive for grain production underlie the technical problems of dealing with the flood plains.

Food grain policy requires land to be protected from floods to make it suitable for use of high yielding varieties of rice which have to be fed with nitrogen fertiliser and protected with pesticides. According to Dr Haroun er Rashid, who chaired the environment session of the meeting this month, much of the damage to the environment comes from this pursuit of rice self-sufficiency. He questioned whether it was the right policy for Bangladesh in the long-term.

Last year, for the first time in 20 years, rice production (20m tonnes) met the needs of the population. However, with population predicted to rise from around 107m to 130m by the end of the decade it will be difficult to maintain this.

Flood control increases land for high yield rice: but it reduces opportunities for catching fish in lakes and flooded depressions.

If the grain self-sufficiency policy continues, it could weigh the rice/fish balance in favour of rice. Methods of economic analysis used at present do not show the importance of fish caught and consumed by poor families and not sold on the open market.

A fisheries study, funded by Britain's Overseas Development Administration, is just starting under the FAP and should eventually provide the data needed to balance the rice/fish equation more accurately.

All donor-country representatives at the meeting emphasised that the new democratic government in Bangladesh should try to establish wider public participation in decision making. They also stressed that every stage of the plan must be assessed for its environmental impact.

Dr Shamsul Huda, at the ministry of water and flood control, said social and environmental effects of flood control schemes had been largely ignored in the past and that lack of consultation at the planning stage had caused many problems. "We should not evaluate projects carried out 20 years ago by the standards of today," he said. "The challenge now it to keep detrimental side-effects of flood control projects to the minimum."

Sikh militants shoot 20 dead in street

By David Housego in New Delhi

LUDHIANA, the industrial capital of the Punjab, has become the focus of a new wave of terrorism by Sikh militants seemingly aimed at deterring investment in the state and undermining the legitimacy of the new state government.

Militants on Wednesday night sprayed crowded streets with machine gun fire, killing 20 people and seriously wounding 20 more. This is the third such incident in a week in which militants have indiscriminately opened fire, causing large casualties.

Three days ago 18 people were mowed down in Ludhiana – a town that even a year ago counted itself free from violence. A week ago 15 executives of Indian Acrylics were killed at Sangrur while on the site of a new plant being established in collaboration with Dupont, the US chemicals company.

Ludhiana yesterday was placed under indefinite curfew as angry crowds blamed police and the government for failing to provide adequate security. Elsewhere in the state 16 people were reported killed in further violence.

The wave of killings coincides with moderate Sikh organisations reversing their long held position of accepting that the Punjab should remain a part of the Indian union.

On Wednesday, the moderate Sikh organisations which boycotted the recent state assembly and parliamentary elections in the Punjab made common cause on a public platform for the first time to call for secession from India and a separate Sikh state of Khalistan. The Sikh organisations declared that they were no longer interested in remaining part of India "after 45 years of state repression and denial of justice". The new stance of the Sikh moderates means a further polarisation in the state with moderates and terrorists now joining forces against the Congress state government elected last month. The newly elected members of the 117-seat state assembly were sworn in on Monday as it met for the first time in 57 months. During this period Punjab has been under direct rule from Delhi.

Both Sikh militants and moderates are denying legitimacy to the assembly which they describe as a puppet body. Congress won virtually all the seats after the Sikh parties boycotted the election.

Americans urged to leave Libya

THE US yesterday urged Americans to leave Libya before the expected imposition of sanctions by the United Nations Security Council, Reuter reports from Washington.

A resolution proposed by the US, France and Britain would impose mandatory sanctions, including an air embargo, until Libya co-operates in prosecution of two agents accused of bombing Pan Am flight 103 in December, 1988, over Lockerbie, Scotland, in which 270 people died.

"Once airline links are broken, it will be obviously more difficult to leave the country," Ms Margaret Tutwiler, the State Department spokeswoman, told reporters. An estimated 1,000 Americans are in Libya.

Libyan Prime Minister Abu Zaid Omar Dourda said in Cairo he had called for an emergency meeting of Arab League foreign ministers, apparently to discuss the sanctions threat.

Japanese group paid for minister's aide

Mr Keiwa Okuda, the Japanese transport minister, said yesterday that a company at the heart of a growing bribery scandal paid the salary of one of his political secretaries, a transport ministry official said, Reuter reports from Tokyo.

He is the first cabinet minister to be linked to the Sagawa Kyubin transport group, which is under investigation for possible bribery of scores of ruling and opposition party politicians.

Singapore road pricing planned

Singapore is expected to introduce an electronic road pricing system, which would charge motorists for road usage, in 1996, Mr Mah Bow Tan, minister for communications said yesterday, AP-DJ reports from Singapore. Tenders for such a system, possibly involving sensors placed along roads, would be called for soon, he said.

Chinese rebels invited home

Chinese students studying abroad can return home without fear of being punished for their past political beliefs, the Communist party newspaper said yesterday, AP reports from Beijing. The front-page editorial in the People's Daily echoed remarks made by senior leader Deng Xiaoping during a recent tour of southern China.

Russia and Japan to discuss islands

Russian Foreign Minister Andrei Kozyrev arrived in Tokyo yesterday for discussions with Japanese leaders on a long-standing territorial dispute over the Kurile Islands and aid for Russia's economic reforms, Reuter reports from Tokyo. The territorial dispute is over the group of northern islands seized by Soviet forces at the end of the second world war.

Burmese plea for help

Burmese rebels based in Thailand appealed to the international community for arms and medical assistance in their battle against the Burmese army, Reuter reports from Bangkok. The appeal from the Karen National Union, Burma's strongest insurgent group, was sent to the United nations Security Council.

WORLD TRADE NEWS

'Finding the hand on the purse-strings

"WE NEED to know who has the authority to sign a contract," says Mr John Macomber, chairman of the US Export-Import Bank, when asked about deals with the former Soviet Union. "Who controls the foreign currency? Who decides if foreigners can invest in their oil and gas business?"

For all international companies, pinpointing worthwhile deals in the midst of current upheavals in the former Soviet Union is no easy matter. Trading and financial institutions have disappeared overnight. Privatisation plans are creating turmoil in Russia. Inexperienced officials in other republics are wrestling to fill the void left as Moscow-led institutions have been cut adrift. Raw material supplies to factories are being sold to the west for foreign exchange. Banks that can be trusted as sovereign guarantors for projects are almost totally absent outside Russia.

Ms Beatrice Kühne, a Berlin-based trade promotion expert from the Federation of German Industry, says: "Everyone thought it would be better there when [Russian President] Yeltsin freed prices and investment conditions in November. But the result is chaos. We tell our people that the only thing that works is barter."

CIS deals: confusion versus opportunity

Two years ago, Britain's Davy McKee won a £1.5m contract to supply modifications to an aluminium rolling mill in Mikhailovsk in Siberia. Today, the goods are ready to ship, but there is no certainty over where to ship them to. The buyer – a Soviet trading company – no longer exists; foreign exchange for payment has evaporated.

In Italy, where the mood is a mixture of confusion and wait-and-see, Fiat is anxious to conclude a deal for a joint venture with Vaz, the former state automotive producer at Togliattigrad in Russia. The deal envisages Fiat taking a one-third stake in Vaz, modernisation of the plant, retooling, and production of a new model, initially at 300,000 units a year.

However, any deal is complicated by the fact that Vaz relies for 20 per cent of its components on factories outside Russia, while another 30 per cent of components come from inside Russia but from factories not integrated with Vaz.

In the food industry, where investment is urgently needed, and western governmental sympathy has been greatest, movement is also likely to be slow. For example, Mr Peter Cheshire, director of marketing at the UK sugar group Booker Tate, says that any joint venture in the sugar industry is at least two years away.

His company operates an experimental plot in conjunction with a local partner in the Ukraine. "They don't even have a clear idea of a currency. It's total chaos at the moment, though it's still worth working there," he says.

While cautionary tales are the norm, some worthwhile deals are being forged: the attraction is the republics' long-term potential and the feeling that now may be the time to grasp the opportunity. Mr Lorenz Schomerus, head of the external trade department of the German Economics Ministry, says that normalisation in the former Soviet republics would open the way for at least DM60bn (£20.9bn) worth of trade.

Salamander, the German shoe manufacturer, has a 49 per cent stake in Lenwest, a St Petersburg joint venture. Although Salamander's own shoe exports to the Soviet Union are likely to drop at least tenfold this year, the company claims its joint venture is coping well.

Even Davy McKee, in contrast to its experience in Mikhailovsk, agreed just a month ago a £40m contract to supply an electrolytic tinning plant at the Karaganda steelworks in Temirtau, Kazakhstan. Karaganda has foreign exchange earnings of its own which it has been willing to commit to paying Davy McKee.

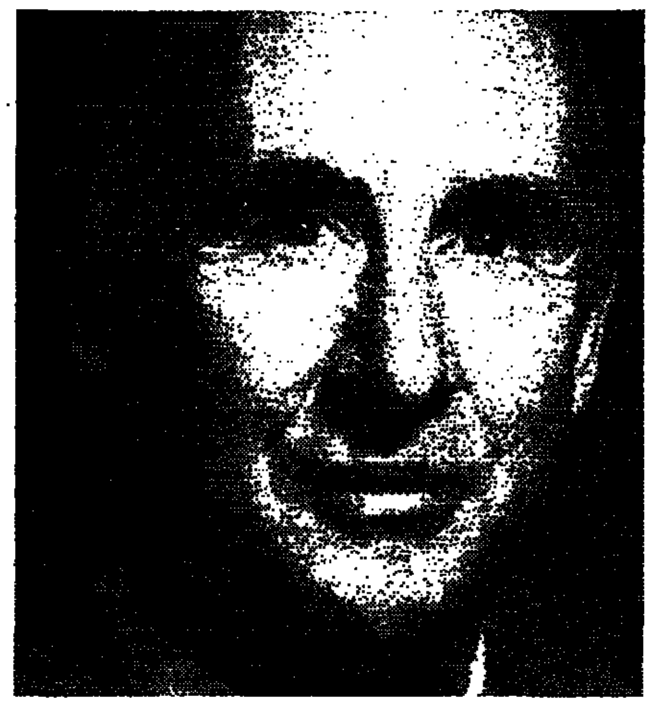
Helping to explain the west's lack of enthusiasm for Mr Yeltsin's requests for new money, governments have another, though more prosaic, nightmare: the fear that fullscale Soviet default on officially supported export credit guarantees could cause billions of dollars of losses. One of the greatest unknowns, German officials say, is the adequacy of the foreign currency reserves of the new republican foreign trade banks.

"The main problem is arranging financing and export credit insurance," says Mr Hans Koch, a board member of Lurgi, the plant-building subsidiary of the Frankfurt-based Metallgesellschaft group which has been trading with the Soviet Union for decades. The company's projects are "more or less stuck at the moment", he says.

Ms Tatiana Berls, in charge of relations with the Soviet republics at Apco Associates, a Washington consulting firm, said US manufacturers are delaying entry into the market because of current instability. But, she says, "once the International Monetary Fund and the World Bank are in there, business will follow".

Mr Eberhard von Koerber, chairman of the German subsidiary of Asea Brown Boveri, a multinational engineering company with long-standing Soviet links, echoes a common sentiment: "We can't simply sit back and wait until everything is clear and sorted out. That might take 10 years, and by then someone braver than us would have come in and got all the business."

William Dawkins, David Dodwell, Nancy Dunne, Robert Graham, David Marsh, Quentin Peel and David Waller have contributed to this article – a companion piece to the one which appeared on the World Trade News *page yesterday, March 19.*



Macomber: trade no easy matter in former Soviet Union

E. EUROPE AND CIS FOREIGN TRADE % 1990-91

	EXPORTS		IMPORTS	
	1990	1991	1990	1991
Eastern Europe with:				
World	-3.3	-11.0	2.9	-11.4
Eastern Europe	-18.6	-32.5	-18.2	-34.5
Industrial countries	11.6	9.2	24.2	27.5
Developing countries	-14.3	-24.6	-	-3.2
CIS with:				
World	-5.2	-17.7	-	-41.4
Eastern Europe	-26.9	-31.6	-12.1	-41.2
Industrial countries	12.3	-7.0	5.6	-41.1
Developing countries	-9.5	-31.7	3.8	-51.4

Source: UN Economic Commission for Europe, 1991

Neste to invest in Portuguese expansion

NESTE, the Finnish petrochemical group, is to invest over Esc18bn ($125m) in new production and research installations in Portugal within the next few years, writes Patrick Blum from Lisbon.

Last week, the group signed a contract with the Portuguese government worth Esc12.7bn to be invested in new plants; expansion of its current polypropylene production facilities in Sines, on the southern Atlantic coast; and setting up a technical assistance and research centre.

The group also plans to invest a further Esc5bn in various other facilities, consolidating its leading position in the Portuguese petrochemical sector.

In 1990, Neste's Portuguese subsidiaries had sales worth above Esc103bn.

Neste first came to Portugal in 1989 when it bought Epsi, a state-owned polymer factory in Sines, for Esc42bn.

As part of the deal it was also awarded a 15 year contract to manage the badly indebted CNP, the national petrochemical corporation.

Neste pays the Portuguese government Esc5bn a year plus 60 per cent of CNP's revenues for its lease of the company.

However, this deal has proved controversial, in that it does not cover the government's liabilities towards CNP's accumulated debt – estimated at around Esc250bn.

The government recently decided to assume responsibility for the whole of the debt, and, when the management contract runs out, CNP's facilities will be put up for sale, says Mr Luis Mira Amaral, the energy and industry minister.

Groups bid for Athens mobile phone networks

By Kerin Hope in Athens

NINE international consortia have submitted bids to set up two mobile phone networks in Greece to serve Athens and the surrounding Attica district.

The bidders include groups led by Bell South and Telefonica International of Spain; Vodafone of the UK and Intracom, a Greek telecoms company; and Motorola with Bell Canada and France Telecom.

The Greek government said that contracts will be awarded later this year, with the two systems expected to start up before the end of 1993.

Investment in the project will reach $200m (£113.6m) in the first five years, with initial studies indicating about 80,000 subscribers by 1996. Both networks will use GSM, the new cellular radio system now being set up across Europe.

The mobile telephone networks are intended to relieve pressure on the conventional network in Athens, which is heavily overloaded. Applicants for telephones have to wait an average of seven years for a connection.

However, the project is already several months behind schedule because of delays in setting up a regulatory framework for Greek telecommunications.

In addition, the government has not yet decided whether OTE, the Greek state telecoms company, can take a minority stake in both mobile networks.

OTE wants a 30-35 per cent share in each consortium, but may have to settle for a larger stake in one of them to avoid violating European Community competition rules.

US plea to Japan

THE Bush administration yesterday sent a direct plea to Japanese businesses to ease antagonism over the trade imbalance by doing more to provide equal business opportunities to US companies, AP reports from Tokyo.

The US ambassador, Mr Michael Armacost, warned a gathering of senior Japanese executives that tensions that have been exacerbated in recent weeks by negative commentary on both sides could grow worse if more is not done to counter Japan's surging trade surplus.

"It is the persistent imbalance in our economic and trade relationship mainly that fuels discord – and provokes misleading stereotypes on both sides," Mr Armacost said. "There's got to be some kind of rough equality in business opportunities or you get the backlash."

Mr Armacost urged Japan to relax its ban on rice imports, further deregulate its financial markets and more openly publicise government regulations and guidelines.

He also reiterated a US request that Japan fulfill a pledge made during President George Bush's Tokyo visit in January to attain an economic growth rate of 3.5 per cent in the fiscal year that ends March 31.

Venezuelan methanol deal

By Joseph Mann in Caracas

PEQUIVEN, the Venezuelan government's petrochemical producer, the Mitsubishi group and other partners have set up a joint venture which plans to build a $340m methanol facility in Venezuela.

The new plant will be designed to produce 735,000m tonnes per year of methanol, a compound made from natural gas that is used as an octane booster in petrol.

Partners in the new venture are Pequiven a subsidiary of Venezuela's national oil company, PDVSA, (with 35.5 per cent); Mitsubishi Corporation and Mitsubishi Gas Chemical (22.75 per cent each); the Polar group, a Venezuelan beer producer (10 per cent) and the World Bank's International Finance Corporation (5 per cent). Pequiven said that finance would be arranged by Banque Indosuez and IFC.

Taiwan's Sanfu plans to set up China plant

TAIWAN'S Sanfu Motors Industrial Company plans to set up a $20m vehicle assembly plant in China with France's Renault, a senior Sanfu official said yesterday, Reuter reports from Taipei.

The project, which has yet to be finalised, would be the first known investment in China by a Taiwanese carmaker. It would also appear to challenge a Taiwan government ban on such investment.

The official said Sanfu would avoid violating the ban by making its investment in the name of Canadian citizen Lee Yung-yao, the son of Sanfu chairman Lee Shui-tu.

Economics Minister Vincent Siew said last month that Taiwan's car industry was among a number of strategic sectors not permitted to invest in China.

The ban was imposed to stop Taiwan transferring important technologies to Chinese competitors and exposing itself to political pressure from Beijing, which claims sovereignty over the island.

The Sanfu official said the government could not block its investment if it was made by a foreign citizen.

A senior official at the government's Investment Commission also conceded that it would be very difficult to stop Sanfu.

Sanfu would have a 60 per cent stake in the joint venture while Renault, which has a technical co-operation pact with the Taiwanese firm, would invest 40 per cent, the official said.

The plant in the central province of Hunan would have an annual production capacity of between 10,000 and 20,000 vans or pick-up trucks, which *will be sold both in China and* abroad.

Brazil close to agreement on $40bn debt

By **Christina Lamb** in Rio de Janeiro and **Stephen Fidler** *in London*

BRAZIL's chief debt negotiator said yesterday he expected to announce an agreement soon on an outline accord to restructure over $40bn of medium-term debt the government owes to international banks.

Mr Pedro Malan told the Financial Times yesterday: "We've made very significant progress and there are no major obstacles left... We hope to be able to announce something shortly".

Mr Malan was due to meet with the full advisory committee of creditor banks in New York last night.

Mr William Rhodes, vice-chairman of Citicorp, which leads the advisory committee, said yesterday: "The negotiations are progressing well and we are getting close to an agreement."

Bankers said there were important differences to resolve, including the interest rate to be paid on one type of bond to be issued under the restructuring.

The restructuring will follow the lines of the Brady plan, under which banks are given the choice of exchanging existing debt for a variety of new concessional bonds, some of which carry guarantees of principal payments and of interest. Banks can also opt to make new loans.

A discount rate of 35 per cent – the same as that achieved by Mexico in its landmark debt restructuring two years ago – has been accepted by both sides.

Some $40bn of previously restructured debt will be covered by the agreement, along with $3.3bn in new loans made in 1988, which will be treated more favourably. Brazil carries the largest foreign debt in the Third World, totalling $116.2bn at the end of 1990.

According to one banker the most important concessional bonds on offer will carry a 12-month guarantee of interest payments and a guarantee of principal repayments.

One sticking point has been the volume and timing of guarantees on the new bonds. The Brazilians have now offered $3bn in guarantees, helped by a spectacular increase in foreign reserves, thought to be over $13bn.

Bankers say the government has requested a $700m bridging loan from the banks to help finance guarantees.

Panama in debt swap

THE government of Panama has agreed with a US environ*mental group to what may* be the largest swap of commercial bank debt to finance an environmental project, reports **Stephen Fidler.**

Nature Conservancy, a non-profit body based in Arlington, Virginia, will aim to buy at least $30m face value of Panamanian debt at a discount. The debt will then be swapped for $30m of "ecology" bonds.

The bonds will earn up to $2.5m a year, part of which will support government activities and the rest community projects to stop encroachment of the rain forest by poor farmers.

The funds will be spent mainly in two big designated national parks, in one of which is located the source waters for the Panama Canal. Some environmentalists say that the forest degradation there has contributed to a worrying drop of water levels in the canal.

Nature Conservancy will have up to $10m *available to* purchase debt, $8m of which has been pledged by the US government, and will also solicit donations from banks and other holders. At the current secondary market price of 27 cents for every dollar face value of debt, some $37m of debt could be purchased.

Some 22 commercial debt-for-*nature swaps have been com*pleted, the largest involving $33m of Costa Rican debt.

US exports fall for third month in a row

By **Nancy Dunne** in Washington

US EXPORTS fell in January for the third month in a row, while last year foreign direct investment in the US fell to the lowest level since 1985, according to US Commerce Department figures.

Exports, as one of the brighter spots in the US economy, have been billed by Bush Administration officials as "an engine of growth" out of recession. But recession and slowdown overseas have begun to take their toll.

In January exports fell to an estimated $35.5bn, down from $35.9bn in December and $36.9bn in November. The slowdown hit exports of manufactured goods, off by $0.3bn from December, while exports of advanced technology fell from $9bn to $8bn.

On the plus side, the US trade deficit narrowed by 3.9 per cent to $5.8bn, the result of cheaper oil and weakened demand for imports. Imports shrank by 1.4 per cent from December levels to $41.3bn.

Last year's fall in investment to $22.2bn contrasted sharply with the rates in 1988, when US assets were seen as a prime buy. Investment rose in 1988 and 1989 by $59.4bn and $70.6bn, respectively.

But investors have had little *to show for their US bargains.* Last year total earnings amounted to only $361m, according to the Organisation for International Investment in Washington.

The Commerce Department estimates that from 1983 to 1990, the rate of return on foreign direct investment in the US, based on market value, *came to only 2.6 per cent.*

Most dramatic in the downturn was the fall-off in Japanese investment to $4.3bn last year, a decline from the $17.3bn annual average of 1988-90.

The UK, the largest foreign investor in the US, added another $8.6bn last year. This represents a slowdown from *previous years, however.* Between 1987 and 1989 UK investments averaged $21.7bn.

Falklands struggle for a new identity

Jimmy Burns surveys the windswept island colony for which Britain fought a war

A British soldier recently discovered he had been in Port Stanley, capital of the *Falkland Islands, only after* he had driven through it. Turning to his passenger, who was also his commanding officer, he commented on the "village" they had just passed and, as they motored on into the countryside, wondered when they would see Stanley.

Indeed, at a glance, it is difficult to understand what all the *fuss was about.*

The islands that provoked an Argentine invasion ten years ago, and the subsequent death of more than 1,000 soldiers, still looks not much different than some *Scottish isle.* Stark and windswept, they loom out of the south Atlantic like a geological afterthought.

Stanley, where the majority of the Falklands population of 2,100 concentrates, has less facilities than many a smallish European village: primitviely built houses, a single bank and the Upland Goose, which represents the capital's claim to an international hotel but in reality is little more than a glamorised publ. It keeps its clients entertained with nightly videos and a one-page summary of world news. Newspapers arrive several days late.

It says much for the abandoned condition the British colony was in before the war that the present-day Falklands *boasts of economic progress:* a new fully equipped hospital and school, a new telephone and road system linking some previously isolated areas, and a new military airport that can be used by wide-bodied jets.

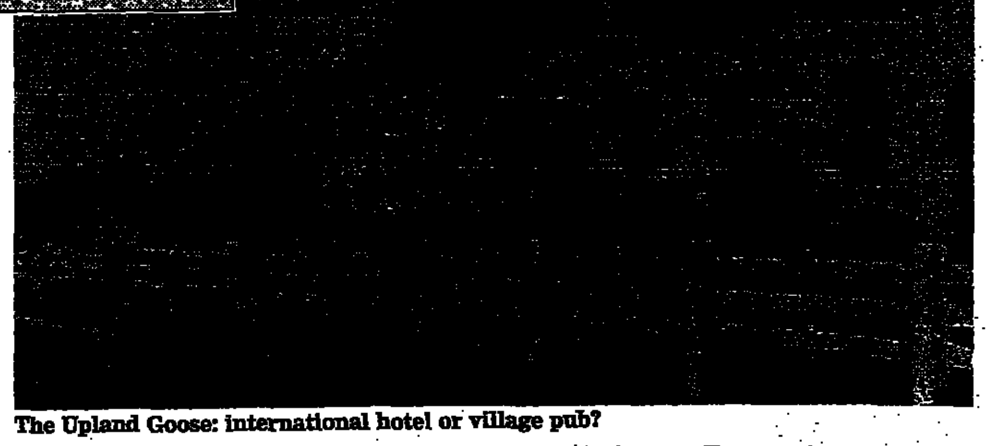
No British goernment, having battled to retain the, could afford to let them sink into oblivion. Between 1982 and 1987, the kelpers, as the islanders call themselves, found it easy to get subsidies for their business projects: £80m was channelled from London into the civilian sector and £3bn was earmarked in defence spending. The programme proved controversial because of some ill-judged investments in projects which in different political circumstances may have been subjected to more careful scrutiny.

The programme has since been streamlined and subjected to more control. As the governor of the islands, Mr William Fullerton, says the economy has entered a "consolidation phase."

The real change in the Falklands' economic fortunes has come about thanks to the discovery of squid in the South Atlantic and the granting of fishing licences by the local government to foreign companies. The licences now account for 65 per cent of the islands' operating revenue, even though this remains only a third of what the British Ministry of Defence pays out to maintain its troops on the *islands.*

Nevertheless, thanks to squid, the islands are much more self-sufficient than they used to be and far less dependant on its traditional wool industry, which over the years suffered because of weak world demand.

The new sense of confidence is personified by Mr Terry Betts. In 1982 he was an employee of the Falkland Islands Company, which effectively controlled the local economy but whose substantial landholdings have been broken up and distributed with government assistance to Falklands residents. Its Stanley holdings, including the Upland Goose, are up for sale.



The Upland Goose: international hotel or village pub?

Today, Mr Betts and his wife run their own businesses, including several smaller retailing outlets, and have *taken shareholdings in some of* the foreign companies which have obtained licences. "We've moved from living within a colonial glove," he said, "to having a sense of our own identity. What matters to me is success and economic growth."

The problem for the Falklands is where to go next. Officials believe that the islands' licensing regime has reached its maximum potential in terms of its current regime which aims to maintain a balance between its need to increase revenue and to conserve stocks on which future revenue depends.

In fact, licensing revenue has fallen to £25m from its peak of £28m in the 1988/89 season because of a more stringent conservation regime and competition from other fishing areas.

One option being considered by the government is broadening the scope of the islands' economic involvement in the fishing industry through development of onshore facilities and a more carefully scrutinised programme of joint ventures. Few kelpers have any direct stake in what is actually fished in their waters, while support facilities are based in the Chilean port of Punta Arenas.

There is also growing local interest in the prospect of developing oil resources. London has authorised the local Falkland Islands government to issue seismic exploration licences. At the same time it has embarked on talks with Argentina – *at which* island officials have been present – with a view to eventually discussing issues such as harmonisation *of legislation, enviro*nental policies and demarcation of zones.

No conclusive survey has ever been done in and around the islands, although their seabed has long been rumoured *to* hold large oil reserves. However, any serious oil development in the islands could well provoke considerable environmental and political problems and thereby refuel the issue of sovereignty.

US carries on waving military stick at Iraq

THE US continues to emphasise the threat of military action against Iraq in an effort to force it to comply with the UN demand for the elimination of its weapons of mass destruction, reports **George Graham** from Washington.

The Defence Department has prepared for President George Bush a list *of options, including a "graduated* bombing campaign," US newspapers reported yesterday.

Officials are seeking to reinforce the impression that the US is ready to use military force in the very near future if Iraq does not back down in a confrontation with the UN inspection teams seeking to destroy missiles and nuclear production facilities.

A UN team is in Iraq this week after *the Security Council delivered a stern* warning to Mr Tariq Aziz, the Iraqi deputy prime minister, at an angry meeting in New York last week.

However, the US has blown hot and cold over its readiness to use force. President Bush said he would not rule out any options, but Mr Dick Cheney, defence secretary, and Mr Edward Djerejian, the assistant secretary of state for near eastern affairs, this week *sought to play down the likelihood of* military action.

"One of the problems for the US is that it is shadow-boxing in front of two audiences," said Mr James Phillips, deputy director of foreign policy studies at the Heritage Foundation, a Washington think-tank.

"On the one hand, it wants to underscore to Iraq that if it continues to thwart UN inspections it will pay a *heavy price. On the other hand, it does* not want to upset consensus diplomacy at the UN," Mr Phillips said.

UK NEWS

City welcomes wider powers for Treasury

By Richard Waters and Philip Stephens

BRITAIN'S financial sector yesterday welcomed plans to move significant regulatory powers from the Department of Trade and Industry (DTI) to the Treasury, in spite of reservations in the insurance industry and concern about greater complexity in the handling of financial investigations.

First indications of the move appeared in Mr John Major's election manifesto, which indicated this week that a re-elected Conservative government would transfer to the Treasury oversight of the financial services industry, including the Securities and Investments Board, the stock exchange and insider dealing.

The proposal is also widely believed to cover the insurance industry, currently overseen directly by the DTI.

The plan has been driven by ministerial concern to strengthen the regulatory framework for large financial conglomerates.

Senior ministers said yesterday the proposal marked a recognition that the creation of multi-purpose financial conglomerates had blurred the old distinctions between banks, building societies and other businesses in the financial services sector.

Mr Peter Rawlins, chief executive of the London Stock Exchange, welcomed the proposal, which would bring regulation in the UK into line with other leading financial centres.

"The securities industry is getting increasingly intertwined with the wider banking and financial services industries," he said. "It would make a good deal of sense."

The British Merchant Banking and Securities Houses Association called it "a sensible and helpful proposal," adding: "The DTI is not geared to the financial sector. That causes great difficulty when it comes to negotiating directives with Brussels, or drafting legislation."

The City's relations with the DTI have fluctuated sharply in recent years, with concern over the way investment regulation was amended under the Financial Services Act and mixed feelings over the way deregulation in the City was handled in the 1980s.

Appeal Court overturns injunction freezing bank assets

BRITAIN'S Appeal Court yesterday overturned an injunction freezing £38.9m of the worldwide assets of the Central Bank of Northern Cyprus, and said in future such assets should be frozen only in unusual circumstances, writes Raymond Hughes.

In a move likely to be welcomed by UK bankers, Sir John Donaldson - the senior judge of the Court of Appeal - said an order to freeze a bank's assets could cause a "run on the bank" and undermine customer confidence that a bank could meet its obligations.

Sir John made his comments when the Appeal Court lifted a Mareva injunction against the Central Bank of Northern Cyprus. Mareva injunctions, named after the first case in which one was imposed, have been widely used in recent years to avoid dissipation of assets pending a final ruling in a court action.

The injunctions were granted last November to the administrators of Polly Peck International who are trying to recover assets of about £1bn from the failed international trading company. The administrators claim these assets were misapplied by Mr Asil Nadir, the former chairman.

In their pending action, the administrators are claiming £44.9m which was transferred to the Central Bank from the Industrial Bank of Kibris, a Cypriot bank controlled by Mr Nadir. They claim the Central Bank knew, or should have suspected, that the funds were being diverted improperly from Polly Peck. Upholding an appeal by the Central Bank, Lord Justice Scott said the injunction could cause irreparable harm to the bank.

The claim against the bank by the Polly Peck administrators was "no more than speculative", the judge said, and it was unfair to impose an asset freezing order interfering with a defendant's normal course of business before liability was established.

The Central Bank's only customers were the authorised banks of Northern Cyprus, which were required to keep 20 per cent of their foreign currency holdings in the Central Bank to ensure foreign currency liquidity.

There was evidence that the Central Bank's foreign currency liquidity had been very seriously affected by the freezing order, the court heard.

Figures show Britain has third worst unemployment rate in industrial world after Ireland and Spain

Jobless total reaches four-year high

By Peter Norman, Economics Correspondent

THE news of a 40,200 jump in UK seasonally adjusted unemployment last month means Britain now has the third worst unemployment rate of the industrialised world.

Although the increase was lower than January's 55,900 rise, the latest figures have brought the UK jobless total to its highest level since September 1987 and frustrated last Autumn's hopes that the monthly increases in unemployment were slowing.

Internationally standardised data from the Paris-based Organisation for Economic Co-operation and Development put the UK unemployment rate at 10.6 per cent compared with a European Community average of 9.3 per cent.

Only Ireland and Spain have higher rates, with 16.8 per cent and 16.3 per cent respectively. Among Britain's major trading partners, France has unemployment of around 9.8 per cent, The US 7 per cent, western Germany 4.3 per cent and Japan 2.2 per cent.

UK economists say recent redundancies in the manufacturing and service sectors will add further to unemployment. "Company managers have obviously decided that the economy is not recovering at an early stage and have moved to cost cutting," said Mr Peter Spencer, UK economist of Shearson Lehman Brothers, the US owned securities firm.

According to the Department of Employment, the UK's seasonally adjusted jobless total has risen by 1.05m in 22 months to 2,647,300.

After rising by more than 500,000 in 12 months, the number of male unemployed topped the 2m level in February for the first time since May 1987. Official figures show that 12.8 per cent of the UK male workforce was unemployed last month compared with an unemployment rate of 5.3 per cent among females.

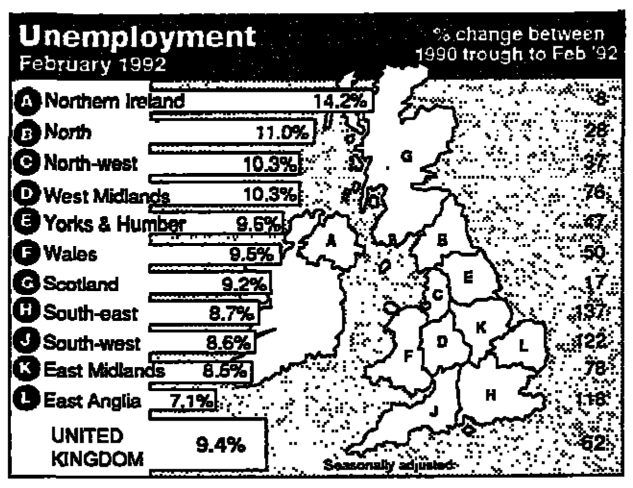
The February increase in unemployment was slightly higher than expected by the City, where the consensus forecast was for an increase of around 35,000. In other labour market news, average earnings and productivity figures were disappointing while job vacancy statistics showed a small improvement.

- Average weekly earnings in the year to January increased by 7.25 per cent.
- Unit wage and salary costs in manufacturing also rose more steeply than expected – by 5.7 per cent in the year to January against 4.5 per cent in the year to December.
- Manufacturing output per head was 1.8 per cent higher in January than in January 1991, having increased by 2.6 per cent in the year to December. Manufacturing productivity showed a year-on-year gain of 2.7 per cent in the three months to January.
- Unfilled job vacancies rose a seasonally adjusted 2,300 to 124,300 in the month to February, lifting the stock of vacancies by about 20,000.

One effect of the long UK recession has been to smooth out earlier regional variations in unemployment. From its recent low in early 1990, unemployment south of a line between the Wash and the Bristol Channel has more than doubled. In no region north of that line has unemployment risen by more than 80 per cent.

Greater London, with 10 per cent of the work force out of work, now has a higher jobless rate than the national average.

Since its 1990 low, the jobless total has increased most sharply – by 184 per cent – in the South East outside Greater London. In the South East as a whole and Greater London itself, unemployment has increased by 137 per cent and 107 per cent respectively.



BRITAIN IN BRIEF

Lending hit by recession

Lending by banks and building societies to the private and corporate sectors slumped in February, a further sign that the economy is still stuck in recession. M4 lending rose by only £400m confounding City expectations of a monthly rise of £2.5bn. The feeble increase brought annual credit growth to 5 per cent - the lowest annual growth rate since 1967. In February last year annual credit growth stood at 13.9 per cent.

Nordic airlines to develop hub in London

The three partner airlines in the Scandinavian NRT Nordisk travel group including Transwede Airways, Norway Airlines and Sterling are planning to expand their operations at London Gatwick airport to turn the airport into an international hub for Scandinavian air traffic in competition with Copenhagen.

The three carriers are developing new scheduled air services between Scandinavia and Gatwick to take advantage of the imminent deregulation of domestic air travel in Sweden. This will enable them to compete on their domestic market against Scandinavian Airlines System (SAS), the region's flag carrier, and develop feeder services into Gatwick and other European cities interconnecting with the international networks of larger airlines.

"Domestic deregulation in Sweden this summer will enable the three carrier to develop a domestic traffic they will be able to transport to Gatwick," Mr Anders Lidman, an aviation consultant to the three carriers said in London. "By feeding their traffic into other international airlines operating from Gatwick they could create a sensible Scandinavian international hub and spoke system at London in competition with Copenhagen," he added.

School reforms to cost £2bn

Full introduction of the national curriculum will cost more than £1.5bn in spending by secondary schools in England and Wales, with extra year-on-year costs of almost £500m, according to report by consultants Coopers and Lybrand Deloitte published yesterday.

That amounts to a first-year cost of about £224,000 for a typical secondary school, and £175,000 in the second year. Most of these sums are accounted for by additional demands on staff – particularly in assessment - with information technology and premises also significant demands. None of the schools surveyed by Coopers achieved these levels of expenditure.

Voters back union rights

Nearly 90 per cent of voters believe that employees should have a legal right to be represented by a trade union, according to a Mori poll commissioned by the TUC-backed Press for Union Rights.

The poll asked "do you think employees should or should not have a legal right to be represented by a trade union" and 89 per cent said yes with only 3 per cent saying no. British law currently gives no right for employees to be represented by unions and the last two years has seen a wave of union de-recognition especially among white collar workers.

Fraud losses 'have doubled'

Losses resulting from fraud more than doubled between 1987 and 1991 according statistics published yesterday by KPMG forensic accounting.

Analysis of cases in which fraud related criminal charges were brought shows that in 1987 £163m was lost through fraud but in 1991, £376m was lost. The number of fraud cases per year also increased from 45 in 1987 to 75 in 1991. The 1991 figures do not take into account possible fraud arising out of the collapse of the Maxwell empire.

The forensic accounting arm of accountants KPMG Peat Marwick has set up a "fraud barometer" to measure the incidence of fraud and monitor trends. Results will be published three times a year.

Dealing rooms lack back-up

Few City firms have made adequate plans to protect their dealing rooms in emergencies, according to a new survey.

The survey shows fires, floods, bomb scares and power failures are costing businesses millions of pounds on trading because of a lack of adequate back-up facilities.

More than one quarter of City trading firms have suffered dealing interruptions lasting at least one hour in the past year. The typical interruption lasted 3.4 hours and affected 22 dealing desks.

OFT examines card price rises

The Office of Fair Trading has launched an investigation in to a recent price increase in the credit card services banks provide to retailers.

Three large banks, Barclays, National Westminster, and Midland, confirmed recently that they were seeking increases in the commissions they charge retailers on each credit card commission.

The banks say the amount of the increase would be very small as the commissions average 1.6 per cent of each transaction and they are seeking to increase this to about a sixth.

Palace confirms separation

Buckingham Palace has confirmed a separation is being negotiated between the Duke and Duchess of York.

Issued coincidentally on the sixth anniversary of the couple's engagement, the statement said: "Last week, lawyers acting for the Duchess of York initiated discussions about a formal separation for the Duke and Duchess." No announcement has been made about custody of their two children or whether their £5m mansion Sunninghill Park, close to Windsor Castle, will be sold.

Labour defends power plans

By Ivo Dawnay, Political Correspondent

LABOUR ACTED last night to quash Tory attacks over its plans for the water and electricity companies by ruling out claims that majority shareholdings in the utilities would be bought in the short term.

But officials would not categorically deny that the National Grid and the water companies would be nationalised in the longer term if they failed to take consumer and environmental interests adequately into account.

Instead of buying majority stakes in the companies, a Labour government would introduce legislation to regulate both sectors. These would give it powers to control prices and environmental practices.

The dispute over Labour nationalisation plans came after Mr Chris Patten, Tory chairman, seized on remarks by Mr Roy Hattersley on BBC television to describe Labour's policy as "a shambles".

The Labour deputy leader had said that his party would, "when the time comes", buy back water shares at their "appropriate value."

His words were quickly denied by Mr Neil Kinnock, who stated definitively that Labour would use public money to buy water shares.

Yesterday, Mr Jack Cunningham, Labour's campaign co-ordinator, again confirmed the leader's position. But in a letter to Mr Kinnock distributed to the press, Mr Patten accused the Labour leadership of being at odds with its manifesto, which talks of public control of water being "a priority."

There was also confusion last night over whether Labour's shadow budget would have to draw on revenues generated by electricity privatisation to fund its £2.7bn recovery package.

Party officials insisted, however, that costings based on a £28bn public sector borrowing requirement – itself reduced by £8bn in privatisation funds for 1992-93 – would not be affected.

Although these funds included £3.4bn from the sale of electricity companies, there was no question of these assets being taken back under public ownership, they said.

Labour's measures to reduce unemployment would raise tax revenues and reduce benefits outflows in such a way as to reduce the need for a PSBR of the scale the Tories were planning, one official said.

Labour intensive: employment spokesman Tony Blair offers a study in concentration as he considers his response to yesterday's rise in the unemployment figures

Roles reversed on the small screen

By Ivo Dawnay

FORGET about political values, let's talk production values. Labour's party election broadcast – on show at a television screen near you last night – was another example of how this topsy-turvy election is reversing roles.

We have gasped at the audacity of the People's Party selling itself as the men of prudence and the Tories as irresponsible spendthrifts. But that can hardly be sustained by the two combatants' first brushes with the small screen.

John Schlesinger's 'John Major - The Journey' offered the grainy print and hand-held cameras of mid-1960s ciné-verité. Urban grit, real people, Brixton badinage, and yup, good old John Boy, man of the mean streets made, oh yes, really very good indeed. It looked like it had been made on the proceeds of a quick whip round at the Lambeth Conservative Association. That was the point.

Labour's Britain, on the other hand, has money to burn. We begin airborne, shooting gracefully across snowy hilltops and swooping down over charming schools plucked from those Beautiful Britain magazines found only in embassy lobbies abroad.

As the Wagnerian horns of the Its Time for Labour theme soar along with us, a husky throat breaks through the Celtic twilight. "We live in a country rich in heritage," it proudly insists, "rich in natural resources and, of course most of all, rich in people..."

But not rich enough under the Tories.

Mr Kinnock's imitation of one of his countryman Richard Burton's more theatrical advertising voice-overs confirms his powers of mimicry. Indeed, Hugh Hudson's sumptuous film illustrates just how far perfectly normal people are prepared to go to imitate a government-in-waiting.

Gordon Brown actually smiles on camera – twice. So do Robin Cook, Tony Blair and Margaret Beckett. But John Smith insists that all this will happen. What is more, he has got the money to do it.

When Mr Kinnock returns to take his natural place oncamera, the viewers can hardly have raised an eyebrow at the flags bedecking his office. The horns and violins, the patriotic pride, the hope for a brighter future, must have left them with one thought. It is time, time for a change, time.... to put on the kettle.

Heseltine launches London manifesto

By David Owen

THE Conservatives yesterday summoned the genie of the defunct Greater London Council (GLC) in an attempt to link Labour's proposed strategic London authority with "loony left" extremism.

The Tories attacked Labour-controlled borough councils and what they termed Labour's "vicious targeting of London" through its tax proposals.

Labour's tax and national insurance plans meant that "people on top taxes would be paying those taxes at lower levels than even under [former Labour chancellor] Denis Healey," said Mr Michael Heseltine, environment secretary, who was heading a six-strong phalanx of ministers.

The six ministers assembled at Central Office to launch the Tories' London manifesto, which promises a Cabinet sub-committee for the capital, a minister for London transport and a private-sector forum to advise on the city's promotion as a cultural and business centre.

The ministerial cast – Mr Heseltine, Mr Michael Portillo, Mr Timothy Renton, Mr Stephen Dorrell, Mr Roger Freeman and Mrs Angela Rumbold – seemed designed partly to compensate for the lack of anything new: the proposals had appeared in summary form in Wednesday's manifesto.

Mr Heseltine attacked Labour's proposed authority as "a GLC which we will remember very clearly is... a body to undermine the elected government of the day."

The aggressive tenor appeared to confirm the view of many observers that Labour's proposed London government might prove attractive to the capital's voters.

Polls suggest that seven in 10 Londoners want an elected authority for their city. The Liberal Democrats have also proposed such a body, to be elected by proportional representation and partly funded by local taxes.

Tories' business pledge to Scots

By James Buxton

THE Scottish Conservative Party pledged yesterday to bring business rates in Scotland in line with those in England and Wales in the lifetime of the next parliament.

The promise is contained in the Scottish version of the Tory manifesto which was launched by Mr Ian Lang, the Scottish secretary, in Edinburgh.

Mr Allan Stewart, local government minister, said that by the new financial year the Tory government would have reduced the burden of business rates on Scotland by £370m from what they would otherwise have been. This would be achieved through subsidies, instructions to local authorities and by banning business-rate increases greater than the inflation rate.

However, the Scottish National party argues that £400m is needed to close the gap between Scottish and English business rates, and business organisations put the remaining gap at more than £350m.

In 1989, when the government embarked on harmonising rates between Scotland and England, Mr Malcolm Rifkind, then Scottish secretary, said that the process would take "five years, or possibly a little more". Harmonisation would involve removing the differences in the valuing of property between the two countries.

The Scottish manifesto states that the party stands unequivocally for the union of the UK and rejects Labour's plan for a devolved Scottish parliament, as well as independence. However, the party is "willing to consider ways of improving the government of Scotland".

Mr Lang yesterday offered no new ideas on improving Scotland's government and said it was vital that any proposals "maintained the integrity of the union". Discussions with other parties on constitutional improvements were always possible, he said.

Among other new pledges, free transport is to be provided for secondary school children whose parents wish to send them to schools other than their neighbourhood comprehensive. It will be made illegal to carry knives in public, apart from "certain penknives" and sgian dhuibhs (ceremonial knifes).

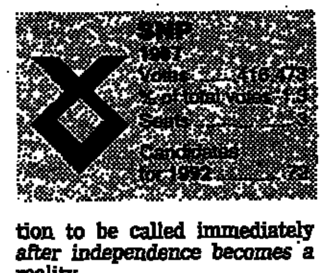
SNP prepares to lead a nation

By Bethan Hutton

THE Scottish National party yesterday launched what was in effect not one manifesto but two: one for this election and one for the first post-independence election.

The first four pages of the manifesto Independence in Europe – Make It Happen Now! are devoted to the SNP's plans for independence and a Scottish constitution if it wins a majority of Scottish seats on April 9.

The remaining 13 pages and the whole of a companion brochure called Recovery in Scotland – Make It Happen Now! put forward detailed plans and costings for the SNP's agenda should it win the general election to be called immediately after independence becomes a reality.



Mr Alex Salmond, leader of the SNP, said his party was offering Scots political and economic freedom and a chance to go forward into the mainstream of Europe, rather than remain stuck in a regional backwater of Britain.

Mr Jim Sillars, SNP deputy leader, called it "a people manifesto", and said it was time for Scots to face their responsibilities.

Responding to claims by Mr Ian Lang, the Scottish secretary, that business would be driven out of Scotland by constitutional change, Mr Salmond said: "We are offering a competitive environment for Scottish business."

He pledged to bring business rates in Scotland down to the levels south of the border within the four years of the first Scottish parliament. In the same period, 200,000 jobs would be created by the party's medium-term recovery strategy, Mr Salmond said.

The SNP manifesto was intended to prove the party's economic credibility, but Mr Salmond did not deny that theirs was nonetheless the most leftwing of the manifestos on offer. He said that the SNP was in line with the mainstream of social democratic tradition in Europe.

Mr Salmond accepted that voters might reject the latter half of the SNP's manifesto in a post-independence election, but as Mr Sillars pointed out, unlike the other political parties, the SNP has to win only once to achieve its main aim.

Independence within six months

The constitution and the economy dominate the manifesto. Main points are:

Independence

WITH the majority of Scottish seats, the SNP would negotiate independence for Scotland within six months. Scotland would become a separate member of the European Community and the United Nations. The constitution would be put to a referendum for approval. A month later there would be elections, using proportional representation, for the single-chamber Scottish parliament.

The vote would be extended to everyone aged over 16. The Queen would remain as constitutional monarch. A bill of rights would guarantee human rights, equality, freedom of information and other social and economic rights. Scottish citizenship would be granted to anyone born in or resident in Scotland and others as decided by parliament.

Economic recovery

Industrial equity and investment fund of an initial £160m a year to stimulate new investment. British Steel's Scottish assets would be taken into public ownership and a Scottish Steel Corporation would be set up with a substantial investment programme. Ravenscraig would be brought back into full production.

Scottish exports unit to improve overseas sales. Increased marketing budget for Scottish Tourist Board. Increased structural support for the fishing industry. Agricultural finance bank to be set up. Tax incentives to promote research and development. New training and employment grants and a national apprenticeship scheme. Investment in infrastructure and electrification of the railways.

Taxation

New 20 per cent rate on the first £3,000 of taxable income. Ceiling on National Insurance contributions to be lifted.

North Sea oil

Scotland would expect to retain 90 per cent of oil revenue under an oil treaty with the rest of the UK. Taxation would remain basically unchanged.

A consultation paper will shortly be released to the industry.

Education

Nursery education for all three and four-year-olds by the end of the first parliament. Priority for maintenance and repair of schools. Opting out and national testing to be abolished. Highers to remain. Non-means tested, index-linked student grants. University of the Highlands to be established in Inverness.

Health

Expenditure to be increased by 15 per cent in real terms over four years, to bring it up to the European average as a proportion of gross domestic product. One-third of increase to be financed by extra tobacco duties. Charges for prescriptions, eye care and essential dental work to be abolished. Opted-out hospitals will be returned to the NHS.

Housing

Local authority capital debt to be written off over four years. Investment in new housing, including sheltered accommodation, and a modernisation and repair programme. Council tenants' right to buy and mortgage tax relief to be retained.

Defence

Immediate withdrawal from the Trident programme. All other nuclear weapons to be removed. Disengagement from Nato as long as strategy remains based on nuclear weapons. Full complement of the Scottish division to be retained, and strong conventional forces of about 25,000 which will co-operate with the UN and European countries.

Social security

Benefits to be raised 10 per cent in real terms over the first four years. Child benefit of £10 a week. Pensions will be raised to £60.50 a week for a single person and £96.80 for a married couple.

Entitlement of young people and students to benefit will be restored. Maternity leave and other leave for family reasons "will be in line with the best provisions available in Europe".

Environment

Nuclear reprocessing at Dounreay, Caithness, and the importation of nuclear and other toxic waste to be stopped. Environmental Protection Agency to be established.

Recycling to be encouraged. Renewable energy sources to be developed.

Quotes of the day

I'm a simple soul. If it looks like a dog, barks and wags its tail – it's a dog. No doubt your statisticians could tell me it is a kangaroo with an attitude problem
Graham Perry in phone in to Michael Heseltine

To be Green in Britain in 1992, listening to the spiralling hysteria of the main parties, is like being a small mammal watching the last two dinosaurs engaged in a struggle to the death. On the one hand, there is a deep inner sense of personal fragility. On the other, there is a deep confidence that the future does not belong to the dinosaurs
Green Party manifesto

The SNP seems to be promising that the sun will shine all day and that it will only rain at night
Ian Lang, Scottish secretary

The loony left is alive and kicking in London – Lambeth council has introduced a women's-only section in the Brixton library
Michael Portillo, local government minister

I am not in favour of legalisation of brothels. If it is necessary to distinguish myself from Lindi St Clair, it is best to have this out in the open as early as possible
Chris Patten

It's monkey warfare, rather than guerrilla
Nina Temple, of the Democratic Left, after sabotage on a Tory poster

The words socialist and socialism don't stick in my throat. Of course we believe in democratic socialism
Tony Blair

We are genuinely disappointed that the Labour party has produced what is a Conservative manifesto in many ways
Paddy Ashdown

"Well if you've nothing else to do, perhaps you could stick this in your window"

Candidates take out cover

By Richard Lapper

AT LEAST 500 parliamentary candidates are taking out insurance to cover the cost of any legal battles arising from the election campaign.

Legal Protection Group, a subsidiary of Sun Alliance, and Careassist, which is owned by Royal Insurance, provide legal expense policies tailored to the needs of candidates. These cover costs arising from libel or defamation claims as well as actions under the Representation of the People Act.

So far, LPG – which is selling a policy valid for the period of the campaign – has received requests from 242 candidates. Careassist, which sells a policy covering all local and parliamentary elections over a 12-month period, says that it has sold a block scheme covering all Liberal Democrat candidates. It also has 300 Conservative and a handful of Labour candidates on its books.

LPG is set to pay a £50,000 claim to finance legal action by Labour candidates who sued Liberal Democrat opponents over a bogus Labour council by-election document in Tower Hamlets, London. The Court of Appeal found in favour of the Liberal Democrats last week.

Mr Reg Brown, whose syndicate at Lloyd's has underwritten the LPG policy for 1983 and 1987 general elections, says there have been 45 claims on the policy, most of which are for a few hundred pounds.

Mr Stephen Manton, at Careassist, says his company has paid 15 claims since 1986.

Most claims arise from actions under the Representation of the People Act, when political parties breach the limits on electoral spending.

Premiums are standard for all candidates. LPG is charging a flat £55 which provides £50,000 of cover. Careassist's annual policy costs between £108 and £130, depending on the size of the excess.

Three cultures converge in concern for consumer

John Willman analyses the new emphasis on quality in public services

THE KEY phrase of the campaign might be "we are all consumers now", as the parties compete to promise better-quality public services that are more responsive to their users.

The Conservatives say their Citizen's Charter offers "the most far-reaching programme ever devised to improve quality in public services".

Labour promises "high-quality, value-for-money services" with three "quality commissions" to keep schools, councils and the National Health Service on their toes.

The Liberal Democrats would "invest in a network of community services to improve quality, choice and opportunity".

This emphasis on quality in the public services is a new theme in general election campaigns. When the main elements of the welfare state – such as the NHS, secondary education and slum-clearance programmes – were established by the 1945 Labour government, the drive was for quantity, not quality.

"People were grateful for mass-produced services devised to meet urgent and basic needs which everybody shared," says Ms Anna Coote, research fellow at the Labour-leaning Institute for Public Policy Research. "But as people became better-educated, better-housed and better-off, they expected more diverse and flexible services to meet their individual needs."

Mrs Thatcher was a catalyst for bringing these expectations to the fore, says Mr John Beishon, chief executive of the Consumers' Association, publishers of Which? magazine.

"By her emphasis on competition and choice, she made people much more aware of the power consumers could wield through their spending capacity," he says. "Users of public services are now very interested in their rights and in being able to make choices."

The Conservatives' problem is that opinion polls consistently show that voters think Labour is best able to provide high-quality public services. By launching his Citizen's Charter last July, Mr John Major hoped to demonstrate a Conservative concern for the public services – and a distinctively market-oriented approach to improving them.

A fourth-term Tory government would introduce further privatisation to public services. There would be greater competition between providers, and more contracting-out to the private sector. Managers' pay would have a large performance-related element as an incentive to satisfy customers.

Where market forces cannot be brought to bear, services would be required to publish charters setting out clearly defined standards of services. If services fall below standard, there would be simple means of redress, including well-signposted complaints procedures and, in some cases, compensation.

In some respects, this programme is little different from those of the other parties. Mr Paddy Ashdown, leader of the Liberal Democrats, devoted considerable space in his 1988 political testament, Citizen's Britain, to the need for consumers of public services to have rights and entitlements.

Labour reached a similar position in its policy review after the 1987 election, and can draw on the experience of Labour local authorities such as York City Council which have pioneered guaranteed standards. Labour's manifesto promises "customer contracts" for services, with "clear avenues for complaint and redress".

This apparent convergence does not mean there is no difference between the parties, according to Ms Coote. "While the parties are using the same language, they have very different agendas," she says. The Tories, for example, see the drive for higher quality as part of getting better value for money from the existing budget.

"Let us hear no more of the phoney argument that you can only make things better by spending more money," Mr Major told a conference in January. "Politeness, keeping promises, giving the right information, answering letters promptly – these things don't cost money. They are the everyday currency of decent services and they must become universal."

Labour emphasises "underfunding" as a cause of poor-quality public services, and rejects the Conservatives' belief in the role of competitive pressures in improving performance. Labour would halt privatisation and compulsory competitive tendering in local government and the NHS.

For Mr Beishon of the Consumers' Association, neither approach is sufficient. He agrees there is scope for squeezing out inefficiency in some public services. He accepts that free competition is the best mechanism for consumers to exercise power but he believes some problems will require fresh money.

Hexham picks new candidate

HEXHAM Conservatives, fighting back from the resignation of their MP, Mr Alan Amos, following an alleged incident on London's Hampstead Heath, yesterday unveiled their candidate – a 49-year old man with a supportive wife, two children and a labrador, Chris Tighe writes.

Mr Peter Atkinson, adopted at a meeting of association members in Hexham yesterday, also has the merit of having been born in the Northumberland constituency.

A former journalist in Tyneside and London, since 1984 he has been a public affairs and political consultant, specialising in countryside matters and has advised the British Field Sports Association.

He lives in Suffolk, where he is a county councillor, but will move to the constituency.

ELECTION 1992

Major's campaign opens with tax assault

By Alison Smith

MR JOHN MAJOR, the prime minister, opened the first rally of his campaign tour last night with a fierce attack on Labour's tax plans, saying that the plans went beyond their impact on middle-income families and would affect everyone.

He said that Labour's shadow Budget would "kick-start not the economy, but the society of class and the philosophy of envy." Mr Major echoed remarks made by Mr Neil Kinnock during the 1987 election, when the Labour leader warned people not to grow old or fall ill if the Conservatives won. Mr Major told his audience that if there were ever a Labour government: "I warn you not to be ambitious. I warn you not to be qualified. I warn you not to be self-employed."

The prime minister's speech was directed at the harm Labour's policies would do to all on lower incomes. Everyone would suffer because the housing market would collapse, with knock-on effects for businesses such as builders, electricians, do-it-yourself shops and garden centres.

The rally in Manchester was the first outing for the £500,000 set devised by Imagination, a theatre set design company, and for which Mr Andrew Lloyd Webber was a creative consultant. Party officials, describing the set as spectacular, said that it reflected Mr Major's personality.

The rally is in a format which includes a showing of Mr Major's election broadcast televised earlier this week, and a film of the events of his 16-month premiership.

The north-west is a critical election battleground for the Tories, as it contains many marginal seats. It is the focus of a considerable campaign effort and was visited by Mr Michael Heseltine, the environment secretary, earlier this week.

The prime minister concluded his speech with his fiercest onslaught yet on Mr Kinnock's fitness to govern.

Without mentioning the Labour leader by name he said: "Britain can't afford to be led by people who don't know what their policy on foreign affairs and defence is from one day to the next."

He also made the contrast in the context of Britain's place in Europe.

"You need to be cool, clear-headed, have conviction," he said, and "that's how it was at Maastricht."

● Mr Major was greeted by a rowdy demonstration in Bolton yesterday. He and his wife, Norma, were jeered and booed during a campaign walkabout in the town centre. Security men and party officials cut the walkabout short and the Majors retreated to the campaign bus. Some of the demonstrators were carrying Labour posters while others, apparently students, shouted: "Grants not loans".

Greens plan charge on all packaging materials

By Jimmy Burns

THE GREEN party yesterday announced its radical alternative to the three main parties in an attempt to reverse its declining fortunes.

It proposes a significant shift away from taxes on income to "green" taxes aimed at cutting the amount of non-renewable energy and raw materials consumed in the economy.

As part of its commitment to cut carbon dioxide emissions by between 60 per cent and 80 per cent by early next century, the party wants a significant move away from the use of private cars towards public transport and bicycles.

The manifesto, printed on recycled paper in two sections, was presented in the cramped offices of the London Ecological Centre by the party's new shared leadership: chairwoman Ms Sara Parkin and "joint speakers" Ms Jean Lambert and Mr Richard Lawson, both of whom are standing for parliament. "We know that the Greens in power can make a difference," Ms Parkin said. "Unlike the other political parties, this manifesto faces up to the real issues."

Mr Lawson, a GP who is fighting Weston-super-Mare, said: "The brains of the country's political economists are malfunctioning to such an extent that they are destroying our renewable resources."

Green Party
1987
Votes [illegible]
% of total vote [illegible]
Seats [illegible]
Candidates for 1992 ... 250

The party has just £75,000 – and no contributions so far from any company – to spend on its national campaign. But Ms Parkin was in a upbeat mood, claiming the Greens were the "fastest-growing movement the world has ever seen". The party will field 250 candidates, many in constituencies where there are controversial environmental issues.

Green speakers yesterday rejected the suggestion by what it termed the "grey" parties that they should urge their supporters to vote tactically rather than "waste" votes. Ms Lambert said: "We shall tell our supporters to vote Green."

Mainly because the recession has overshadowed environmental issues, Greens have seen their support decline from their peak in the European elections of 1989 when they polled 15 per cent of the vote, but failed to win a seat. In the last general election they polled 1.5 per cent of the vote.

Ms Parkin yesterday criticised opinion polls which classify the Greens among "other political parties" including the Monster Raving Loony Party. The "others" group is trailing with a collective share of about 3 per cent.

Manifesto highlights are:

● Taxation. "Green" taxes on carbon fuel and all packaging materials; increased petrol and diesel duties; zero value-added-tax rating on goods and services that promote sustainable development and luxury rating on those that do the reverse; basic Income Scheme to replace all allowances, benefits and relief.

● Energy saving. Proceeds from closure of nuclear power programme to be spent on energy conservation and home insulation schemes; government partnership with private sector to develop offshore wind and wave power.

● Transport. Cancellation of all but most essential road-building schemes; priority to public transport and cycle paths.

● Global warming. Move from fossil fuels to solar sources; immediate ban on ozone-depleting gases except for specific and limited medical uses.

Lydia van der Meer

Green launch: Jean Lambert (left) and Sara Parkin outlining their manifesto yesterday

Asian vote confounds the stereotypes

Richard Donkin uncovers exploded myths about the allegiances of ethnic minorities

ANOTHER grey evening was drawing in as Mr Mohammed Ishaq studiously chewed a date to break his fast for Ramadan, which ends a few days before polling day. For Moslems it is a time of religious cleansing, but it may take longer for some of the Nottingham community to purge their bitterness towards the Labour party.

"If you say to me, why are you voting Labour? What have they done for you? I have no answer for you," says Mr Ishaq.

His word is important in this area of brick-built terraces which supports about 100 Moslem families. It is called the Meadows but cows would not graze there now. No more than a handful of Moslem men have jobs in this part of Nottingham South, where the Tories are trying to hang on to a 4.2 per cent majority over Labour.

Next door, in Nottingham East, the Conservative majority is even more slender and, on the basis of the present polls, the seat should fall to Labour with ease.

Labour's doubt concerns a section of its traditional Moslem supporters who feel that the party's national executive engineered a split among Moslem constituency members when Mr John Heppell, deputy leader of Nottinghamshire County Council, was selected as the Labour candidate earlier this year.

The squabble has been marked by claims, counter-claims and a national executive investigation into constituency membership irregularities. But the validity of the allegations is less important than how Moslems react at the polls.

Acrimony over Nottingham East has spilled over into Nottingham South and many working class Moslems, upon whom Labour could have relied, seem intent on making the party sweat it out until election day.

Mr Ishaq, a firm Labour supporter, says that this time he is not so sure. He is angry and feels let down by Labour's failure to select an Asian candidate in either seat. As the local halal butcher explains: "How Ishaq votes, I vote, and that counts for everyone around here."

Even so, most of the local Moslems are likely to back Labour. "The Labour party may have split the community but they haven't yet split the family," says Mr Ishaq.

Moslem anger among Britain's Asian-origin communities is becoming a hallmark of election campaigns but it has yet to manifest itself in a significant shift from Labour. The more organised groups, such as Bradford Council of Mosques, are presenting candidates with shopping lists of issues and using the campaign to put over minority grievances.

Such shopping lists tend to mask the true voting intentions and concerns of Britain's estimated 1.8m voters of Asian origin.

Dr Shamit Saggar, a lecturer in politics at Queen Mary and Westfield College at the University of London, says: "Attitudes of Asian voters to politicians and policies are remarkably similar to those of white electors."

Drawing on a 1987 Harris poll, he says the two most important issues among people of Asian origin are unemployment and prices. Since 1979, immigration issues have dropped well down the list of Asian concerns, he says.

Election candidates, he argues, worry too much about what they perceive as important ethnic issues. "They would be better off approaching an Asian doorstep as they do any other."

Traditional Asian support for Labour appears to be holding firm in spite of Conservative contentions that they are natural Tory supporters.

A poll by Harris last year for East, BBC 2's Asian-affairs programme, said 76 per cent of Asians intended to vote Labour, 18 per cent Conservative and 4 per cent Liberal Democrat.

This would indicate that more people of Asian origin intend to vote Labour than at the last election, although their support has fallen since 1990.

Dr Saggar believes the statistics "explode the myth" that they are switching allegiance to the Conservatives in significant numbers.

A Sikh trader who commutes from Leicester to Nottingham, where he runs an electrical supply shop, says: "I may wear a tie but I carry the boxes into my shop and I drive the van. I may work for myself but I'm still working and Labour is still the party for the working man."

Efforts by Mr Kenneth Baker, the home secretary, and Mr Norman Tebbit before him to woo the rich Asian vote have secured high-profile supporters but failed to make significant inroads into the community and are unlikely to trouble either Mr Keith Vaz, the sitting MP in Leicester East, or Mr Greville Janner in Leicester West, both Labour marginals where the party expects to increase its vote.

A far more important marginal for the Conservatives, where local organisers believe the ethnic vote is crucial in deciding the outcome, is Walsall South, which has been troubled by Labour in-fighting on the local authority.

Conservative officials are convinced that Labour's 2.2 per cent majority is vulnerable and are targeting the Asian vote – which they say shifted towards the Tories in the last local elections.

Mr Najabit Ali, a working-class Asian Moslem and Conservative party member since 1977, is about to be made redundant when the Walsall company for which he works closes down. But he does not blame the government, and has no plans to switch allegiances.

"I used to vote Labour but now I think my interests are best-served by the Conservatives," he says.

Apart from Nottingham East, other Conservative marginals where the ethnic vote could be significant include Birmingham Selly Oak and Slough.

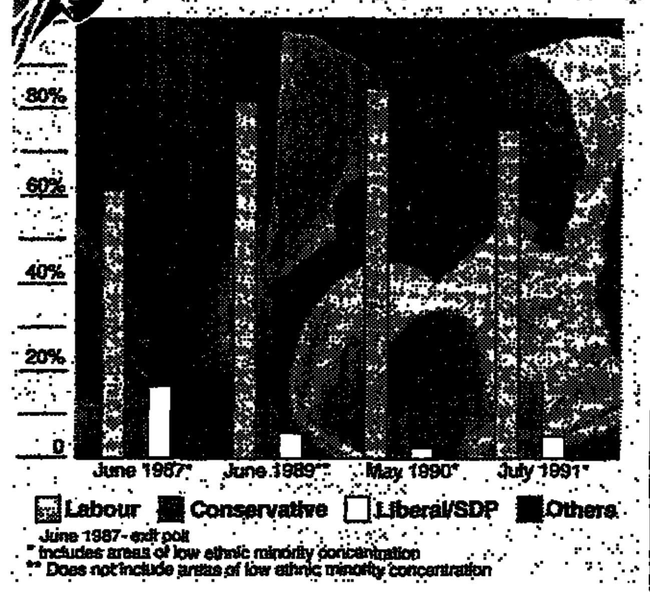
The Asian-born Conservative candidate who appears to have the best chance of success is Mr Nirj Deva, the Sri Lankan-born company director and Bow Group chairman defending a 7,953 majority in the Brentford and Isleworth seat formerly held by Sir Barney Hayhoe, who has retired.

The issue may be less whether people of Asian origin will vote Tory, more whether Tories will vote Asian. Research suggests that the ethnic background of a candidate has little bearing on voting intentions – borne out by Mr Deva's performance in lifting the Tory vote in Hammersmith and Fulham in 1987.

A survey commissioned by the Runnymede Trust last year found that 86 per cent of white people would vote for British citizens of Asian origin standing for a party of their choice.

The 11 per cent who declared themselves less likely to vote for an Asian candidate could be significant in Langbaurgh in the north-east, a constituency with few ethnic voters, won from the Conservatives by Labour's Mr Ashok Kumar in the November 1991 by-election but with less of a swing than local and national polls had predicted.

South Asian voting intentions



June 1987 - exit poll
* Includes areas of low ethnic minority concentration
** Does not include areas of low ethnic minority concentration

Plaid calls for Welsh self-rule within EC

By Anthony Moreton, Welsh Correspondent

PLAID Cymru, the Welsh Nationalist party, yesterday launched its manifesto, urging self-government for Wales within the European Community.

The party – which has three MPs – said that as the UK became increasingly integrated into the EC it was essential that Wales should be a fully self-governing nation.

Mr Dafydd Wigley, Plaid president, said full self-government was no longer a distant aim but an urgent necessity and essential for democracy.

Plaid Cymru
1987
Votes ... 123,599
% of total votes 0.4
Seats ... 3
Candidates for 1992 ... 35

"Massive increases" in the EC's regional and social funds must at the same time be introduced to balance the centralising role of the community and offer poorer countries like Wales the prospect of "intermediate prosperity".

The manifesto, titled Towards 2000, says any funding from Europe must be handled within Wales by a Welsh parliament, and must be in addition to money from the UK government.

Plaid's economic policy includes more help for small businesses and high-technology industry. It also calls for a 10-year plan to restore closed down rail links and development of harbours.

The party is to contest all 38 seats in Wales, though it will fight three Gwent seats – Newport East, Torfaen and Monmouth – jointly with the Green party.

This alliance with the Greens was first tried in the Monmouth by-election last May. The joint candidate won 277 votes out of the 45,195 cast in a 76 per cent turnout.

The manifesto has a particular emphasis on environmental issues. At the same time, agriculture "must remain a bedrock industry, with a commitment to the family farm".

The party also calls for a "massive drive" to improve housing conditions, with support for first-time buyers and people on low incomes.

Waldegrave condemns NHS claims

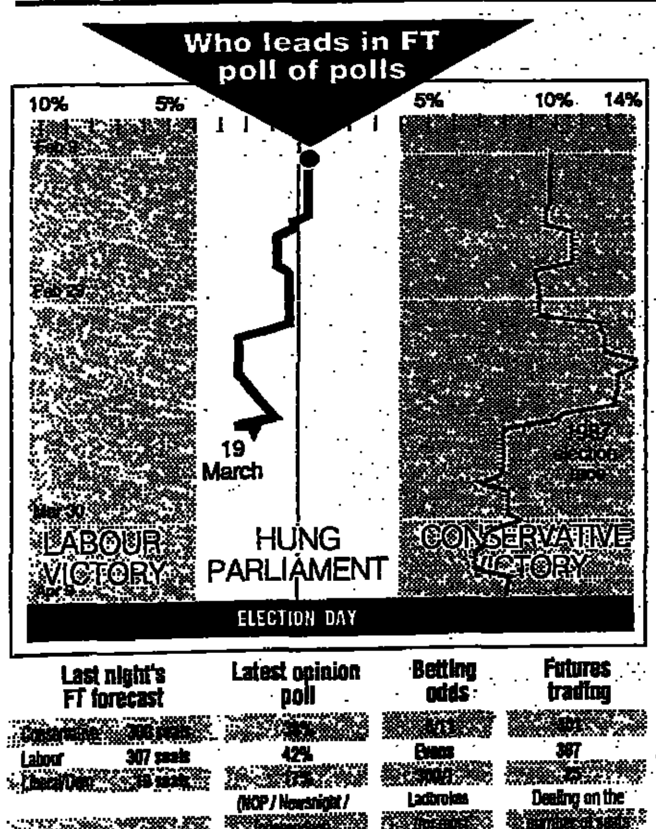
THE Labour party's use of tragic individual cases to bolster its attack on the government's NHS reforms has angered Mr William Waldegrave, the health secretary, writes Ivor Owen.

He has written to national newspapers claiming that "very many of the individual cases alleged have, on investigation, turned out to be completely false or heavily distorted". He says that by the time the hospitals concerned have established the truth "the lies have been spread".

Conservative party managers were incensed by a Labour party advertisement asserting that an 18-month-old baby born with a heart defect "died because the NHS is short of money".

Labour insisted the advertisement was factually correct.

Who leads in FT poll of polls



Last night's FT forecast	Latest opinion poll	Betting odds	Futures trading
Conservative [illegible] seats	[illegible]	[illegible]	[illegible]
Labour 307 seats	42%	Evens	307
Lib/Dem [illegible] seats	[illegible]	[illegible]	[illegible]
	(NOP / Newsnight / [illegible])	Ladbrokes ([illegible] seats)	Dealing on the [illegible] (IG index mid-prices)
	Field date 17,18 March		

* Weighted average of six most recent opinion polls computed daily. Does not include telephone polls and those that omit sample size or field dates. The graph compares the parties' leads at similar points in the last two campaigns. The middle line marks level-pegging. If the black line moves left, Labour leads. The Tories lead if it goes to the right.

Portillo puts his shirt on London

Michael Portillo, the ambitious minister for local government, has stuck his neck out. While the polls suggest Labour has a fighting chance of making up ground in London, Portillo went on record yesterday forecasting that the Tories will add at least five seats in the capital to the 58 they already hold.

His list of likely Tory gains begins uncontroversially with Tooting: it is widely accepted that the process of gentrification in the constituency has given the party a chance of overturning Tom Cox's Labour majority of 1,441.

It has even been whispered that Ken Livingstone might be vulnerable to attack in Brent East, where he has a majority of only 1,653. But Hammersmith, Newham South and Tottenham? Not even the staunchest Tory has publicly hinted at such riches.

Portillo's prognosis for Tottenham is that an "unpopular" Bernie Grant, faces a stiff challenge from a "candidate from the Greek community there with very good connections." Of course, if Portillo is right about all of this, he really will be a man to watch. His own majority in Enfield Southgate is over 18,000.

Fishing votes

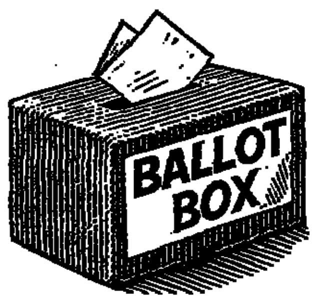
Labour is pitching for the angling vote. David Clark, the party's agriculture spokesman, left a press conference in Cardiff and headed straight for a meeting in Brecon with the local angling society. "Britain's 3m anglers will have a key role to help improve water quality and monitor pollution," he told them.

Clark is pro-fishing but anti-hunting. Killing fish is a sport, he said, but hunting is "cruelty". Was he not for one sort of killing, and against the other, because more Labour voters are to be found on river banks? "Only a cynic would accuse me of vote catching," he said.

Howard's way

Michael Howard, the employment secretary, was notable yesterday for his silence. Normally he is around to place a cheery gloss on the monthly labour statistics. This time, his officials said, the election campaign had got in the way.

He may also have run out of gloss. For the past 18 months the line has been that UK unemployment is lower than the European average. Truth be told, among the main industrialised countries the rate is higher than the British only in Spain and the Irish Republic. The OECD puts UK unemployment at 10.6 per cent, higher than the government's own figure of 9.4 per cent. In Italy the rate is 9.9 per cent, in France 9.8 per cent, in the US 7.3 per cent, and in the old West Germany 4.3 per cent. One could go on.



Some hope

The official statement on the possible separation of the Duke and Duchess of York began with the words: "In view of the media speculation which the Queen finds especially undesirable during the general election campaign . . ." It is unclear why the speculation is any more undesirable at election time than any other. The main political interest was in how far the story would knock yesterday's unemployment figures off the front pages of the tabloids. Anyone who thinks that the story will die because of the Palace statement does not know the popular press. A more intriguing question is how far the broadsheets will follow the tabloids' example.

In the clouds

Plaid Cymru's election manifesto was partly written by Dr Phil Williams, a terrestrial physicist. Williams was unable to be present at the launch of the document yesterday because he was in Kiruna, Sweden, north of the Arctic circle, studying aspects of the earth's atmosphere.

His work on global warming and the ozone hole fuelled his interest in the party's energy policies. The launch of a satellite by the space shuttle is keeping him away, but he will be back in Wales in time to vote for independence.

Flexible bets

Labour has regained the higher ground not only in some opinion polls, but also among City dealers.

City Index, a small firm which makes markets in sporting events and has offered a price for the past two elections, quoted Labour as ahead for the first time on Tuesday. The party fell back on Wednesday, but nudged into the lead yesterday with a quoted bid/offer price of 302-309 against the Conservatives 300-307.

Punters pay an agreed price per point and will recover that price for every seat above the offer price.

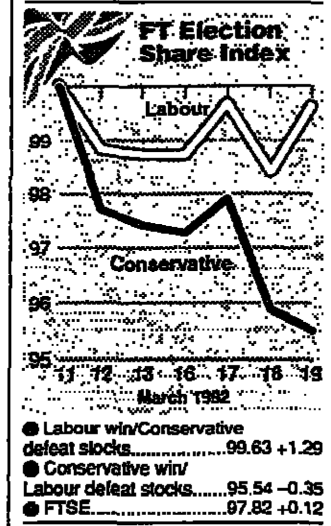
The aim is to offer more flexibility than the ordinary bookmaker without the downside of betting tax.

Hurd's maths

Douglas Hurd may be a very professional foreign secretary, but should be kept away from anything to do with statistics.

He told an election meeting in Southampton on Wednesday that the reason why the proportion of tax paid by the country's top 5 per cent salary earners had increased during the Government's lifetime was that there are more of them. When an FT correspondent gently pointed out to him that 5 per cent is 5 per cent is 5 per cent, the foreign secretary replied diplomatically that he had "elided" two separate arguments.

FT Election Share Index



● Labour win/Conservative defeat stocks ... 99.63 +1.29
● Conservative win/Labour defeat stocks ... 95.54 −0.35
● FTSE ... 97.82 +0.12

Shares that might gain from a Labour victory rose strongly yesterday while those that might gain from a Tory win dropped. "Labour gainers" are now less that half a percentage point below their level on the day the election was announced. Unpolitical factors are partly responsible: BAT Industries, the tobacco and insurance company, rose most, after raising its dividend on Wednesday. All but one other Labour gainer rose. "Conservative gainers" are 4½ percentage points below their announcement-day level.

NATURAL LAW PARTY

—Manifesto—

INTRODUCTION

'ONLY A NEW SEED WILL YIELD A NEW CROP'; something new must be introduced into the field of administration so that the old established systems and procedures of national administration that are familiar to the people are enlivened and revitalized, so that administration always maintains its vitality, comprehensive purposefulness, and is always fulfilling to everyone.

Administration should have the ability to always satisfy everyone. This will only be possible when Natural Law upholds *administration because Natural Law is the* only one element in the universe that promotes the progress, growth and evolution of everyone and everything and does equal justice to all.

We offer to the nation our plans and programmes to create such an ideal administration through the introduction of Natural Law.

We offer to the nation an ideal system of administration on par with the administration of the universe—orderly, efficient, self-sufficient, invincible and always nourishing to everyone.

Introduction of Natural Law in the theme of national administration will glorify administration on all levels—national, provincial, city, community, family, and the administration of mind and body. The administration of all values of life will always remain efficient, effective, nourishing, vital, and evolutionary.

The feelings and voice of the nation have been echoed by the news media demanding new principles, new procedures, and a new basis to national administration.

Today, when the national feeling has come to the desperate level of: 'a choice of evils' (15 March 1992, *Sunday Times*), we, who hold the key to knowledge, feel that we should offer our services to the nation.

In response to the call of the nation we offer something new from the field of science; we offer our discovery of the Constitution of the Universe.

The Constitution of the Universe, ever lively in its eternal wakefulness within every grain of creation, governs the universe with perfect orderliness and without a problem.

This Unified Field of Natural Law, the field of pure consciousness or pure intelligence, is at the unmanifest basis of creation and governs all levels of life through Natural Law.

The Unified Field Theories of Quantum Physics (N=8 Supergravity, and Heterotic Superstring, etc.) from the standpoint of modern science have identified this ultimate reality of life, the Unified Field of Natural Law, the field of pure consciousness, or pure intelligence. The Rik Ved is the lively expression of complete knowledge of this basic level of Nature's intelligence. The Vedic Literature, as brought to light by His Holiness Maharishi Mahesh Yogi, contains the complete record of this level of intelligence in Nature which creates and governs the infinite diversity of the ever-expanding universe—*the Laws* of Nature which maintain the orderly universe, from the blossoming of the rose to the earth moving around the sun, to the galaxies moving in empty space.

The *Constitution* of the Universe—Natural Law—is inscribed in the field of pure intelligence or pure consciousness and is the eternal set of systems and laws that administer the evolution of everything in the ever-expanding universe in perfect harmony.

The Constitution of the Universe is so intimate to everyone because it is one's own self-referral consciousness; it is one's own Self; it is one's own intelligence; it is the basic level of everyone's life; it is the organizing, nourishing power of life, it is the intelligence of life which motivates everyone in the evolutionary direction; it is the basic impulse of the heart and mind of everyone.

Administration through Natural Law is the supreme ideal of administration. Now in this scientific age it is possible to *introduce Natural Law in the theme of administration and* create national administration on par with the administration of the universe.

Our complete and scientific knowledge of Natural Law will provide a stable and very real foundation to all the affairs of our cherished nation. It will provide a profound basis to our national constitution—to the man-made laws and procedures of our administration.

More than 500 scientific research studies and experiences of over 4 million people throughout the world validate our programme. Both modern science and ancient Vedic Science, as brought to light by Maharishi, stand to authenticate our ability to raise national administration to an ideal state and establish an *ideal government for our country.*

We stand confident in our ability to raise national administration to be on a par with the administration of the universe—orderly, supremely efficient, and nourishing to all.

All our 651 constituencies will offer knowledge of Natural Law.

It is our joy to offer automation of administration through education in Natural Law. No one will violate Natural Law. No one will create the ground for stress, suffering, and failure.

We will provide the whole population with the most advanced knowledge of Natural Law, and give them proper training through the scientifically validated practice of the Transcendental Meditation and TM-Sidhi Programme, which *develop the ability to think and act spontaneously in accord with* Natural Law. This will maintain a highly integrated and evolutionary quality of life.

This will eliminate the root cause of crime and anti-social behaviour. Negative trends will simply disappear and national consciousness will rise in ever-increasing positivity and harmony preventing the growth of stress, strain, disease, and suffering. This will reduce the government spending and hence the need for heavy taxation and will justify our low taxation policy.

We will apply Natural Law to every area of the nation, offering training for achieving perfection in every profession as well as training in new professions to promote Natural Law.

We will create new jobs to beautify the country in every way.

We will engage the talented and creative people to remodel the urban areas and create a new disease-free, crime-free, pollution-free Great Britain.

We will also decorate the nation by building new ideal villages by the side of densely populated cities, with beautiful homes, gardens, and fountains, and lakes beautifying the countryside.

Natural Law-based living will build the nation and will make the United Kingdom a great and beautiful country—everything will be beautiful and on a high level of dignity and grandeur.

Natural Law is infinitely stable and infinitely flexible. So in keeping with this universal quality of Natural Law, the Natural Law Party will be able to satisfy the tastes and ideals of all the people.

Everyone is aware that the existing parties cannot satisfy all the divergent trends and tendencies of society.

In the past one party has always taken delight in refuting the policies and confounding the actions of the other party. What the nation requires is one party with the ability to satisfy the divergent goals of our pluralistic society.

In order to save the precious national time, energy and intelligence, and to satisfy the holistic requirement of our family of commonwealth nations, it is vital that the Natural Law Party be unanimously brought to power.

A vote cast for any of the opposing parties is a vote for conflict. It is not only a wasted vote, but it is a destructive vote—an individual's contribution to political chaos.

A vote should not go to a party because it will tax the wealthy more, or because it will give the money to the poor. It should go to the party that can really design policies that can satisfy both the wealthy and the poor.

Only a party that can satisfy *all* the diverse needs of the nation deserves the support of every voter. The Natural Law Party is that party.

The policy of the Natural Law Party will be to consult and discuss national issues with the leaders of all the parties. We will honour the talented experienced statesmen of our country.

The Natural Law Party is the party of everyone who wants to produce a stable, integrated, coherent government.

We will fulfil the goals, plans and programmes of every party. Our planning programme focuses on the nation, not on a party. All of us together will raise the United Kingdom to great heights on every level and prove the United Kingdom to be the most creative country of our European Community and a great well-wisher and promoter of our commonwealth and the whole world.

We will keep the path of politics neat, clean, progressive and inspiring to all, nourishing to all, and satisfying to all.

We believe that politics is a pious profession that should not be muddled by conflict and controversy.

We uphold our Sovereign, Her Majesty the Queen.

We lovingly and respectfully uphold the Church of England and any religion that is dear to anyone in our country.

The members of the Natural Law Party come from throughout the nation, from every walk of life, representing every professional field and all opinions of the people—Conservative, Labour, Liberal Democratic and Independent. They are scientists, artists, engineers, lawyers, doctors, nurses, teachers, businessmen, economists, labourers, homemakers, and students. Therefore the nation through our administration will receive the best of all principles, all philosophies, all sciences, all *technologies, and all religions.*

All candidates of the Natural Law Party have demonstrated greater orderliness of brain functioning, as indicated by increased EEG-coherence, and greater command of Natural Law indicated by their improved mind-body co-ordination in their achievement of Yogic Flying. We recommend that the voters of each constituency demand comparative brain functioning analysis from the candidates of other parties.

The integrated brain functioning of our candidates will enable them to remain balanced and steer the course of progress under all situations and circumstances. Functioning from their balanced state of mind, they will demonstrate their natural ability to co-ordinate all the different interests of the people, create *integrated national consciousness and bring satisfaction to* everyone through their coherent national administration.

We are confident that our administration based on Natural Law will satisfy the interests of everyone, and will uplift the current depression in national consciousness; and that the voters in every constituency will enjoy voting for Natural Law to create a perfect government in the United Kingdom.

This will be the first government in the world established on sound scientific principles.

Our nation is a composite of innumerable divergent values, and man-made law based on limited human intelligence cannot possibly satisfy all these trends and tendencies and guide them all in an orderly, evolutionary direction. Only through the *support of Natural Law—the intelligence of Nature with its* infinite organizing power—can a government fulfil the needs and ever-growing aspirations of all the people in the country.

With the support of Natural Law, our government can create the supreme quality of life—Heaven on Earth in the nation.

The ultimate goal of the Natural Law Party is for everyone to enjoy Heaven on Earth through the implementation of Maharishi's Master Plan to Create Heaven on Earth.

ECONOMY

The basic economic policy of the Natural Law Party will be in the spirit of Natural Law which is always nourishing, supportive and evolutionary. The Natural Law Party will follow the path of progress adopted by Natural Law which is: *growth and abundance through creativity.*

In order for everyone in society to really become self-sufficient and stand on their own feet, and thereby reach the ideal of a free-market economy—life in affluence and sustained growth—we will implement programmes to develop the full creative potential of every individual and educate and train everyone how to achieve perfection in their profession.

At the same time we will create that influence in the collective national consciousness which will induce in the *individual* the *ability to* think and act spontaneously in accord with Natural Law, in accord with the evolutionary force of Nature, which sustains all progress and prosperity in creation.

Here in this approach, the field of economics will not be handled primarily on the basis of distribution of wealth, but on the basis of proper education and training to develop the natural ability of every individual to create wealth.

The Natural Law Party will promote the ideal of a free market economy. However, it will not exclude support by the government for any promising venture. Subsidies will be available to the business sector but the officers of these companies will be trained in management through Natural Law, so that they are effective and the funds are not wasted.

The laudable goal of a free market economy will be achieved with a well-coordinated and mutually supportive effort between the Treasury and the business sector. Both old industries and new developing ones will have proper support from the government along with education leading to self-sufficiency.

The Natural Law Party will gradually shift the economy from its existing uncertainties (the policies of past governments have resulted in continued national frustration and have strained either the market or the Treasury. This has resulted in *stress in everyone in the country* and also in international relations) to a royal and steady path of sustained growth, rapidly reaching its goal of a truly free market economy. We will achieve this through the knowledge and application of the fundamental principles of the natural evolutionary process upon which Nature's economy is based. In this way a better economy will be created not on the basis of hard work but on the basis of following Natural Law which works through the Principle of Least Action (Physics)—maximum accomplishment through minimum effort on the basis of infinite creativity.

TAXATION

The tax policy of the Natural Law Party will be characterized by *low taxes for all*, because if taxes are high then the free market economy ceases to be a 'free' economy. A free market economy should mean 'create more wealth and feel free to enjoy it.' Therefore promoting a free market economy and at the same time taxing the people heavily is not a wise policy.

The need for high taxation stems from problems created throughout society by people violating the Laws of Nature. Violation of Natural Law is the root cause of all stress, sickness, inefficiency, lethargy, lack of creativity, and criminal behaviour, all of which create *problems throughout society. The* government is then expected to solve these problems and the only means that it knows to solve them is through the expenditure of wealth *which must come from taxes.*

The Natural Law Party will provide complete knowledge of Natural Law to the people so that they do not violate Natural Law and *therefore do not create sickness and problems* in life. This will automatically reduce government expenditure and the need for higher taxes. We will gradually reduce taxes in stages as *problems throughout society* are reduced.

Our tax policy will not do injustice to either the wealthy or the poor. To do equal justice to all it *will be necessary to have some* variations in taxes according to the income but in all fairness to everyone we shall aim at keeping a tax level of between 10 to 20%. The national tax *policy* should *not deprive* the successful and creative people of the country of their wealth otherwise no wealthy business, no wealthy businessman and no wealth will be left *in the country.*

The parental role of the government is to guide the people to raise their fortunes and when the people follow this policy of the government *then it is wrong to unduly tax those* who are most successful and who are most precious for the growth of the national economy.

This policy is also in favour of the poor because they are assured of remaining wealthy once they have become wealthy.

We will achieve the ideal of the free-market economy by giving people of low income the training to rise to a higher income.

We also plan to phase out the Value Added Tax (VAT) which has *created a situation* especially in the lower income brackets of society, such that every time they purchase something the heart shrinks as the word 'tax' added on to the price. If someone has to buy ten items in a day then ten times his heart shrinks, the curse goes to the government, and the joy of his buying is shadowed.

We will also phase out tax on the profits reinvested in a company or used to create new companies that employ more people. This will encourage *businesses to re-invest their* profits in creating new industries and new employment.

Finally, we will simplify the complicated tax and national insurance systems. This will simplify administration and make it more efficient.

[The Natural Law Party is in a position to implement this low taxation policy because its prevention-oriented administration will disallow emergence of problems, negativity, crime and disease in the *country*, thereby increasing the efficiency of the administration and substantially reducing government expenditures.

Natural Law based national administration will have all these unprecedented and inconceivable advantages for the government and the people.

To some this may appear as a *pleasant dream*, but our assumptions are well founded on our complete knowledge of how Natural Law functions in relation to national productivity and economy, which is verified through scientific research.]

EDUCATION AND TRAINING

There is nothing that cannot be *achieved through proper education.* The Natural Law Party will introduce study and experience of Natural Law, and educate the whole population to think and act *according to Natural Law.*

This will put an end to violation of Natural Law, and this will eliminate the basis of stress, strain, and suffering.

With the support of Natural Law on the individual level and on the collective level of national consciousness—the rightful aspirations of the individual and the nation will gain support from Nature. There is nothing that cannot be achieved through the support of Nature, because Natural Law governs the infinite diversity of the universe with perfect orderliness and without a problem.

Through education of Natural Law the nation will rise to any desired heights of achievement.

As all knowledge of Natural Law is structured in consciousness it is imperative to introduce the study of consciousness and research in consciousness in order to generate the influence of coherence and positivity in individual and national consciousness.

Consciousness is the most basic *element of life and yet the present* system of education does not provide knowledge of consciousness.

A large body of scientific research has already validated programmes that are *available to* develop the full potential of human consciousness. These programmes include Maharishi's Transcendental Meditation which will therefore be introduced on all *levels of higher* education so that all the scientifically validated benefits of developing higher states of consciousness—higher creativity, intelligence, and learning ability—come to everyone.

Complete knowledge, experience and application of Natural Law will be made available to the whole population through existing training programmes, through regular education and part-time schooling. Tax benefit will be provided for companies improving training schemes and introducing the knowledge of Natural Law.

The government will train and provide teachers of the science and technology of consciousness in all levels of education and in engineering, business and industry, health, police, military, and in every area.

Science-based education will be raised to Unified Field based education—education based on complete knowledge and practical utilization of the Unified Field of Natural Law.

Our education policy will recommend more years in higher education and professional training. Tax benefits or educational allowances will be given to families *who keep their children in education* until at least 21 years of age.

Travel in the country and travel abroad will be a part of education, starting from A level and continuing to all *levels* of education, in order to give students experience of different cultures, develop in them an appreciation of our world family and foster international patriotism.

Management of schools and colleges will be improved and the government-run educational institutions will be raised to the maximum level of efficiency.

EMPLOYMENT

The Natural Law Party will implement programmes to achieve full employment for the nation.

The unemployed will receive specialized vocational training as well as training to unfold their latent creative potential and gain the support of nature to ensure success in *all their* undertakings.

Furthermore, if industry is unable to provide the necessary jobs, the government will create jobs both at home and abroad. At home, the unemployed *will* render community service and assist in beautifying the environment with community parks, gardens, lakes and forests for the whole population to enjoy.

Abroad, we will promote British industry to educate and develop the developing world. Over half the world is still underdeveloped and needs training in basic skills.

We will also create an economic climate such that mothers, growing youth, and the elderly are not compelled to work. Everyone recognizes *that children must receive full care* from mothers at home to ensure that the next generation is strong, vital and healthy.

We will also encourage and give benefits to companies who only have a six hour workday for their employees. The principle is that a free economy should mean the promotion of greater happiness, wealth and wisdom for everyone in society and not create an economy which leaves the whole population tired and stressed every evening and without time to really enjoy life.

HEALTH

The Natural Law Party will implement a national campaign to create a 'Disease-Free Society' through prevention-oriented health education, based on the complete knowledge of prevention available in Maharishi Ayur-Ved.

We will also promote the use of natural medicine, which are free from harmful side-effects.

Individuals will have freedom of choice for the system of treatment under the national health care programme and we will implement a nation-wide training programme of health care professionals in promising alternative systems of medicine.

The basic cause of ill health in the individual and dis-ease on the national level is violation of Natural Law. Therefore health care must *include education for every individual to think and act spontaneously in accord with natural law and* thereby not violate the laws of Nature.

A unique feature of our health care programme will be to create collective health of the nation, by reducing stress and tension in the collective consciousness which is a major source of ill health on the *individual and national level*. This aspect of collective health, which has been completely missing so far, will be provided by the Natural Law Party.

SOCIAL POLICY

The social policy of the Natural Law Party will be to supplement the monetary benefits of social *programmes for the retired, the unemployed*, children, the sick, the disabled, and the poor with programmes to enliven the individual's full potential.

Unemployment benefit will be supplemented by programmes to nurture creativity and self-sufficiency by the growth of higher states of consciousness and by effective training and re-training programmes. Programmes will also be introduced for the unemployed to give service in area of general good for the community.

Child benefit will be emphasized as a means to ensure *that* mothers are not forced to go out to work. This will be a means to ensure the strength and self-sufficiency of the next generation.

The prevention- and promotion-oriented health programmes of the Natural Law Party (see Health) will reduce the need for sickness benefit in the population.

Increases in pensions will be supplemented by programmes to ensure the continued good mental and physical health, well-being and happiness of the retired. These programmes will bring fulfilment to the role of the elderly in society.

LAW AND ORDER

The approach of the Natural Law Party to law and order will be *to eliminate the very cause of* crime—the inability of the population to think and act spontaneously in accord with natural law. This most basic lack in human life can fortunately be eliminated through correct knowledge *and proper* training.

Whilst strategies of increasing the police force and reviewing judicial practices certainly have their value in promoting law and order, similar measures have been adopted by numerous past governments without any consistent and lasting effect in bringing crime under control. Similarly, identifying potential delinquents at an early age has its value but is not going to stem the rising wave of crime in national life.

The policies of the natural law party address the problem at its most fundamental level and eliminate the problem before it has arisen. The Natural Law Party will introduce the knowledge of natural law and programmes to develop higher states of consciousness at secondary school level to avert criminality before it has the chance to develop. Without such education, no amount of vigilance on the part of the police, and not amount of law-making by the government will be able to maintain law and order.

In addition, the Natural Law Party will introduce programmes to generate a positive influence of coherence and harmony (the Maharishi Effect) throughout society such that negative trends and tendencies cannot arise.

Extensive scientific research has validated the programmes of the Natural Law Party to reduce crime in society and bring the trends of life of the whole population spontaneously in accord with Natural Law.

If democracy is to be real, education must make the individual self-sufficient and enable him to fulfil his desires without jeopardizing the interests of others. As long as law enforcement is necessary, government cannot truly be called democratic since the very act of enforcement deprives the individual of his right to freedom.

The government established by the Natural Law Party will be democratic *in the full sense of the term*, since it will uphold law and order simply by educating the population to think and act spontaneously in accordance with Natural Law and by preventing stress from arising on both levels, individual and collective. Such spontaneous compliance with law is the only way to maintain law and order. It will eliminate the basis of all crime and crown the government with success.

The wise voters of this election have the ability to choose whether to have effective law and order or to continue with the same old problems that have lingered on for generations.

DEFENCE

The Natural Law Party will create invincible defence. Through the creation of coherence and harmony in world consciousness world peace is stable and no nation will threaten any other nation.

Our national defence will be maintained by training the armed forces to create and maintain an invincible state of national consciousness through the Maharishi Effect—an indomitable influence of coherence and harmony in the nation—which has been verified many times over by scientific research.

This effect has its parallel in the Meissner Effect in physics—a state of impenetrable defence. Creating the Maharishi Effect in national consciousness will prevent the birth of an enemy and thereby eliminate the need for destructive means of defence.

Our defence policy will maintain the present level of readiness of the armed forces and will promote continued research in higher quality of weaponry. However, our policy will be to refrain from the production of new weaponry—since the need for destructive defence capability will not arise in a situation in which the military is maintaining coherence in national and world consciousness.

The Natural Law Party will improve the effectiveness and creativity of the armed forces through new technologies of consciousness and Natural Law.

Our defence policy will be to refrain from creating fear in the world. Our nation will hold the balance of power in the world and prevent the birth of an enemy for anyone through the ability to nourish every nation through Natural Law.

ENVIRONMENT

The proposals of all parties to improve the quality of the environment are most laudable. The majority of these will be integrated into the policies of the Natural Law Party and wherever possible accelerated.

We will establish a separate minister at cabinet level whose sole responsibility will be the protection of the environment. We will promote research into the elimination of pollution in all fields of national life, paying special attention to the development of pollution-free industry and pollution-free means of generating energy.

In particular, our Party will explore exhaustively all potentially pollution-free means of generating power for transport such as solar power and energy from vegetable oils in a effort to reduce and eventually eliminate the damage to human life and the environment as a whole caused by the petrol driven engine.

We will also act to eliminate the damaging influence of the use of fossil fuels in the creation of energy. Furthermore, the *Natural Law Party's* acute sensitivity to the environment will not allow it to develop nuclear energy despite its economic advantages. The Natural Law Party *maintains that life* must never be sacrificed for the sake of economy.

We will also provide tax incentives for pollution-free industries and for those producing environmentally friendly products.

The Natural Law Party will regenerate the inner cities by developing park-lands with beautiful lakes, flowers and trees in the decaying centres of cities and redistributing the population to ideal villages and towns around the outskirts of the cities.

Above all the Natural Law Party will eliminate the basis of all pollution in the violation of Natural Law which in turn is due to the lack of development of higher states of consciousness.

AGRICULTURE

In recent years agriculture has made great advances in using isolated Laws of Nature to enhance the genetic quality of seeds and crops, to improve soil, and to bring marginal land under cultivation. However, these applications of partial values of Natural Law have also resulted in the creation of unforeseen imbalances such as soil exhaustion and ecological damage.

In addition, the use of harmful chemical fertilizers and pesticides has damaged the health of the nation.

Therefore the Natural Law Party will promote pollution-free sustainable agriculture.

In addition, no technology has been available to ensure the support of the Laws of Nature governing the most important factor in agriculture—the weather.

As all the diverse expressions and tendencies in creation have their common source in the Unified Field of all the Laws of Nature, the Natural Law Party will train the farmers of the nation how to harness this fountainhead of Natural Law and employ the skilled hand of Nature to quietly organize the infinitely complex network *of factors* influencing agricultural production.

With support of Natural Law the farmer will enjoy the dignity of a highly respected profession and will *be honored as the nourishing father* of the nation. Agriculture will provide the stable basis for a healthy life, a healthy economy, and a healthy administration.

UNIFYING AND DIVERSIFYING VALUE

The diversity of *decisions suitable* to every constituency will be settled on the constituency level, so that diversity of the nation does not muddle the decision making process at the national level.

Thus, most of the diverse values should be sorted out on the constituency level and on the level of the county.

Natural Law has two values; the holistic value of Natural Law is equally available to galaxies, solar systems, mountains, rivers, and everywhere. Specific variations of this holistic quality of Natural Law are lively in different fields of space and time.

It is these specific values of *Natural Law that are the basis of creating* and maintaining specific geographic conditions and give rise to specific cultural values and differences in mannerisms, customs and traditions of different areas.

Therefore the Natural Law Party will honour this unified and diversified nature of Natural Law and maintain diverse values of national life throughout the land, and in the same spirit honour different religions, cultures, different languages in the whole of our dear country.

THE UNITED KINGDOM, EUROPE, AND THE WORLD

In its approach to the different parts of the United Kingdom and to Europe, the Natural Law Party will be guided by the principle of 'Unity *in Diversity*' by *which Natural Law* governs the whole universe.

Whilst encouraging the specific values of Natural Law in every locality, the Natural Law Party will uphold the integrity of the nation as a whole. Similarly, with respect to Europe, the Natural Law Party will uphold the sovereignty of the United Kingdom whilst contributing maximum to the larger family of Europe.

The United Kingdom will become a nourishing influence to every nation and in particular will contribute to the elimination of poverty in developing countries throughout the world.

CONCLUSION

The Government of the United Kingdo is a constitutional monarchy.

Constitutional Monarchy is fully available in the Constitution of the Universe—the theme of Administration through Natural Law.

The tradition of administration of the United Kingdom mirrors the absolute system of Nature's Government, where everything is set and everything is always evolutionary and progressive.

So when the Natural Law Party presents a programme to structure the national administration in the light of Natural Law, it is fully in conformity with our national heritage.

The Natural Law Party is rising to glorify the traditional administrative structure of the United Kingdom.

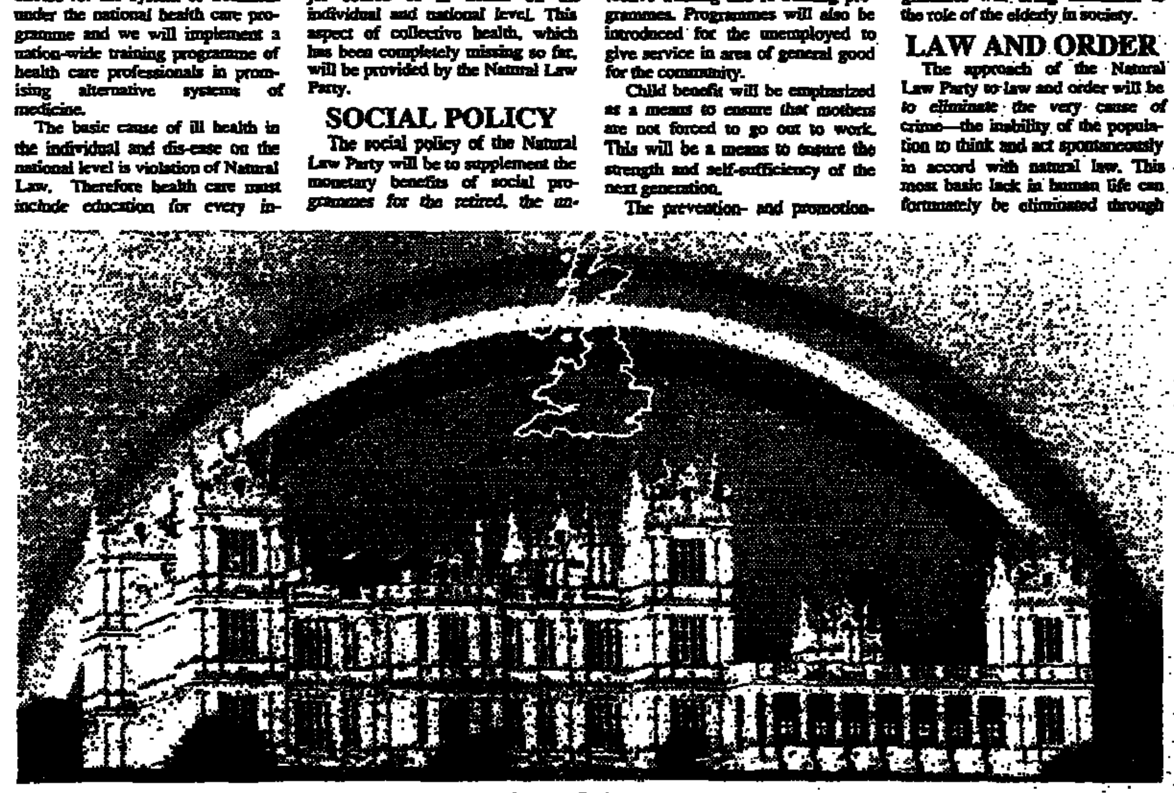
A monarchy, integrated with democracy, appears to be the ideal structure of the Government which upholds the unifying and diversifying values of Natural Law.

At present when every nation is reaching for an ideal administration, and new constitutions are being written in many countries we are able to create this ideal structure of administration in the light of Natural Law, because of our complete scientific knowledge of Natural Law, and because of our nation's centuries long tradition of unified administration of diverse nations in our British empire.

The Natural Law Party is celebrating this supreme scientific knowledge of Natural Law, and we are celebrating our own long standing tradition of administration in the United Kingdom.

More details on the above and other fields of national administration will be covered in the elaborated version of the Natural Law Party Manifesto.

For more information please contact: Natural Law Party, Mentmore, Buckinghamshire. Tel. 0296 66 22 11.



MENTMORE, BUCKINGHAMSHIRE
The National Seat of the Natural Law Party

TECHNOLOGY

Christina Lamb describes a Brazilian experiment to save an endangered species from extinction

Tamarins return to the jungle

In a lush patch of Brazilian rainforest a group of golden lion tamarins discover the joys of swinging between trees. Brought up in the Los Angeles zoo and recently introduced to the wilds, they form part of one of the world's most successful experiments in saving a species from extinction.

The project brings together first and third world nations, private and public sectors, environmentalists and farmers, as well as several scientific disciplines. Its techniques are now being copied worldwide.

Only 450 of the monkeys survive in the wild. Throughout this century many have been captured to keep as domestic pets by people attracted by their exotic beauty and flaming golden fur. Moreover, their natural habitat has almost disappeared.

The animal has been rescued through the combined forces of Aldemar Coimbra, Brazil's first primate specialist, and Devra Kleiman, a director of the National Zoo in Washington.

Coimbra realised the danger in the 1960s when there were around 600 left. He was unable to raise much interest until 1972 when Kleiman held a conference in Washington on Saving the Golden Lion Tamarin. Experts from Europe and the US discussed how tamarins could be reproduced in captivity and then reintroduced to their native habitat.

Breeding tamarins in zoos proved so successful that there are now more in captivity than in the wild. "When I started there were just 72 animals in 16 zoos. Now we have more than 550 in 130 zoos and a third of them are on contraceptives because they are growing so quickly that we cannot find zoos for them," says Kleiman.

In 1983 the team of Brazilian and American scientists began the more difficult process of reintroducing those born in captivity into the Atlantic rainforest in the Poco das Antas biological reserve south of Rio. So far 69 have been reintroduced with a 70 per cent survival rate and a further 60 are to be reintroduced this year.

Denise Rambaldi, who heads the field programme, says that the animals generally adapt quickly to the new environment. "Initially they do not know how to defend themselves against predators and they fall over a lot because they're used to stronger branches in their cages. But after the third tumble they usually learn."

According to Rambaldi, the main indicator of the project's success is the ability of the reintroduced animals to breed among themselves and with their wild cousins. Of 33 surviving offspring at least 10 are the result of crossing wild and reintroduced tamarins, adding variety to the gene pool. Family histories are kept on all former captive and wild tamarins to avoid inbreeding.

"There is no doubt that the ability of once-captive tamarins to bear offspring sometimes by mating with wild tamarins and their gradual ability to feed themselves in the wild proves that reintroducing them into their old habitat has been a success," says Coimbra.

The project is special for several reasons, says Kleiman. Reintroducing captive-born animals is a pioneering method of preserving species, and the preservation of tropical forests is a developing science. It brings together 130 zoos, IBAMA (the Brazilian state environment agency), the World Wildlife Fund and the Rio Primate Centre.

The success of the project is far from guaranteed. "We're fighting against time. In less than 20 years tamarins could be extinct in Brazil and thus worldwide", warns Coimbra.

The main problem is lack of forested land. The reserve is only 5,500 hectares, of which 60 per cent is covered by forest. Each group of five or six monkeys requires 40 hectares of forest and Kleiman estimates that 20,000 hectares are needed to keep the 2,000 tamarins necessary for the breed's sustainable survival. "The larger aim of the project is to regenerate the Atlantic forest for tamarins and other endangered species," she adds.

Consequently, the project's organisers are trying to involve private business, aiming to raise $250,000 a year to buy remaining forestland. So far they have persuaded 11 farmers to dedicate their remaining forest to protection for the monkeys.

Another problem is a wave of tamarin robberies to sell on Brazil's black market. At least 10 have been stolen in the last year and a publicity programme has been launched to raise the consciousness of the local population about the importance of the species.

"When we have the international community supporting the feeding and maintenance of these animals outside Brazil, sending them to Brazil and then hearing they have been stolen it does not look good for Brazil," warns Kleiman.

One answer has been to hand every tamarin back in a special ceremony to the Brazilian government to create more local responsibility. But Costa believes a tougher crackdown on the trade is necessary. "Catching an animal is regarded as a source of wealth. It is hard to persuade someone with hunger in his stomach that for the sake of ecology he should remain hungry."

Computer auditors take a fresh look at the books

A new report* which is likely to set global standards for the audit and security of IT systems was launched in the UK this week.

Systems Auditability and Control (SAC), published by the Institute of Internal Auditors, is the first study for 15 years to present auditors with a comprehensive analysis of risks and best practices in the control of IT.

Its predecessor in 1977 became the standard reference work for computer auditors. The 1992 version, launched at Compacs, the IIA's annual conference, is designed to be of wider appeal reflecting a trend for auditors to cover both IT and non-IT aspects.

SAC has a trenchant message for managers. Some 40 per cent of IT systems fail to meet business requirements, it says, while only 11 per cent of organisations operate effective controls during systems development. Many new systems are late, overrun their budget or are abandoned before completion.

"This is not the auditor's responsibility – it's top management's," says David Bentley, chief internal auditor at Leeds Permanent Building Society, and chairman of Compacs.

Specific IT risks identified by SAC include: poor controls in end-user systems; the openness of systems to intruders; impaired accuracy and integrity of data; and interruption of business due to system or network failure.

SAC also details the use of IT in auditing. "There's no way we can audit a mass of networks and computer systems using traditional techniques," says Charles Le Grand, director of research at the IIA.

SAC is based on a survey of 400 companies worldwide including Rolls Royce, Lloyds Bank and British Petroleum in the UK. It was launched in the US last May and is being translated into French, Japanese and German.

Ian Holdsworth

**The SAC report, £147 for IIA-UK members, £175 for non-members, is available from: The Institute of Internal Auditors – UK, 13 Abbeville Mews, 88 Clapham Park Road, London SW4 7BX.*

Superconductors won't slow down

THE NEXT GENERATION of superfast telecommunications and computer equipment will require higher speed components utilising the rules of quantum mechanics and techniques like superconductivity.

Sanyo Electric, the Japanese electronics group, has developed what it claims is the world's first superconducting transistor that uses "tunnel-effect" oxide superconductors. The new device has a theoretical speed 10 times faster than current semiconductors and uses less than one-hundredth as much electricity.

It is built around a thin high-temperature superconductor film made of barium potassium bismuth oxide deposited on an oxide semiconductor so that it is only one crystal wide. The film creates a junction in which electrons move under the laws of quantum mechanics, rather than conventional electron flow, resulting in high speeds and low power consumption.

Under the "tunnel-effect" phenomenon electrons are able to "tunnel" through thin barriers at very high speed in certain conditions. By varying those conditions, the flow of electrons through the transistor can be regulated.

Other companies have developed superconducting transistors as well as tunnel-effect semiconductors, but Sanyo says its transistor is the first that is both superconducting and uses tunnel-effect oxides.

Cancer drug gains approval

AS BIOTECHNOLOGY has provided the means to prepare commercial quantities of the proteins which regulate the human immune system, medical attention has been focused on these "biological response modifiers" (BRMs) and their potential role in the treatment of cancer.

One particularly promising BRM was called the T-cell Growth Factor when it was discovered in 1976 and subsequently renamed Interleukin-2. In Europe, EuroCetus has used recombinant DNA technology to produce large quantities of Interleukin-2 in the form of its first commercial product — Proleukin.

Now, after completing medical trials, EuroCetus has won marketing approval in the UK for Proleukin which has proved effective in the treatment of renal cell carcinomas, the most common cancer of the kidney. It is notoriously difficult to treat and is relatively insensitive to current forms of chemotherapy and radiotherapy.

Proleukin appears to work indirectly by stimulating the immune system rather than by direct attack on cancer cells, and researchers hope that it may also prove effective in treating other cancers.

Stopping an arc before it starts

ACCIDENTS CAUSED by arcs which develop in electrical switchgear and distribution boards account for about one third of all electrical accidents in industry. When arcs occur on land-based equipment they can damage plant and cause injuries, but off-shore arcs jeopardise the lives of everyone working on a platform.

When an arc develops it resembles an explosion with temperatures reaching 20,000 deg C, and light intensities 2,000 times stronger than office lighting systems. The traditional solution on off-shore drilling and production platforms has been to enclose distribution panels in metal cabinets.

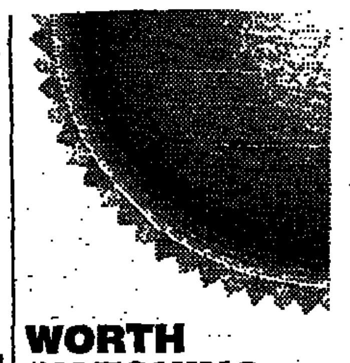
The enclosure contains the explosion, but does nothing to protect the electrical circuitry. To tackle the problem ABB Control, part of the Asea Brown Boveri group, has developed the TVOC optical-based monitor which disconnects faulty electrical equipment in less than two milliseconds — less than the time it takes for an arc to fully develop. Because the ABB solution prevents arcs rather than containing them, special arc-proof containers are not needed, and repair times are cut or eliminated.

Shining example of laser's speed

COPPER CABLES are a bulky and expensive way of transmitting voice and data, so in many countries telephone traffic is being switched to lightweight optical fibres the width of a human hair.

A new type of laser light pulse generator has been developed by Pirelli, the Italian tyres and cables group, which allows more than 80 times as much information to be packed into fibre-optic telecommunications lines. The pulse generator enables the capacity of fibre-optics telecommunications links to be boosted to 600,000 telephone channels from the present 7,000.

In a fibre-optic telecommunications link, coded bursts of laser light are fired down the line to be picked up and decoded at the other end. Pirelli's new laser light pulse generator is able to fire bursts of light 10,000 times shorter than current systems, allowing more signals to be packed into a single line.



WORTH WATCHING

by Paul Taylor

Dirty laundry looks to its past

WHILE few may remember the drudgery of the traditional Monday wash, modern washing machines are arguably not as economical, effective or environmentally friendly as a washing board and a pair of hands.

But now a French invention called the Wash'ball marketed by Welcom International promises a simple but ingenious solution. When a set of the 12 black shock-resistant balls are put in the washing machine along with the dirty laundry their mechanical action compliments the stirring and shaking movements of the machine to produce the effect of "a good, old fashioned hand scrubbing".

Using the environmentally harmless 37mm diameter balls improves stain removal and cuts by half the amount of detergent needed, thus saving money, reducing waste and extending the life of washing machine parts like hoses and filters, according to the manufacturer.

Contacts: Sanyo Electric: Japan, 06 991 1181. EuroCetus: UK, 0895 824687. ABB Control: UK, 0203 368500. Pirelli: Italy, 2 85351. Welcom International: France, 43 97 95 67.

THE PROPERTY MARKET

The people's jury is out

By Vanessa Houlder

Canary Wharf, the largest, most expensive office project in Europe, is being put to the test.

More than 3,000 people have arrived at the development in London's Docklands over the past few months including the staff of Morgan Stanley, Ogilvy & Mather and the Daily Telegraph. So does their experience justify the long-held belief of Olympia & York, the developers, that "once people are there, Canary Wharf will sell itself"?

The project has some enthusiastic advocates. "It looks absolutely first class," says a senior executive of Morgan Stanley, which has swapped five cramped buildings in the City and West End for spacious, state-of-the-art offices, a canteen and a gymnasium.

"Marvellous," says Mr Mike Walsh, chairman of Ogilvy & Mather, which has moved its staff away from a tatty, 70-year-old building north of Waterloo Bridge to two open-plan floors in Cabot Place.

Staff milling around the shopping mall at lunchtime have mixed views. "It is disastrous," says a brisk, smartly dressed Morgan Stanley employee, scanning the bookshelves in the newsagent. "I hate it. It's like Ford open prison," she adds.

Although Canary Wharf boasts a dozen shops, a pub, a restaurant and two cafés which report brisk trade, the range of diversions in the West End is widely mourned. "There is nothing here for anyone. What *there is, is too expensive*," says a young back-office worker at Morgan Stanley.

Even the limited amusements offered in the southern Isle of Dogs inspire nostalgia in one Daily Telegraph employee. "I never thought I'd say that," she says wryly.

Transport heads the list of complaints, although several Canary Wharfers have found it better than they feared. Employers are smoothing the transition with free car parking, free river bus passes and even, in the case of Morgan Stanley, a temporary private bus service.

Heavy car parking charges (up to £35 for a day) are designed to encourage people to use public transport. But the Docklands Light Railway (DLR) is still unreliable and overcrowded. The riverbus does not currently have sufficient capacity to cope with peak demand. Getting to Westminster through lunch-hour traffic takes up to an hour.

Many of these gripes will disappear in time. Two extra riverbuses will be in service by May, reducing intervals between the boats to just 10 minutes; the DLR is being upgraded; the opening of the Limehouse Link next year will cut congestion on the roads; the Jubilee tube line will be in place in 1996.

Several other shops and restaurants are due to arrive, including Marks and Spencer. A post office counter will open in May; there will be a health club, although its opening has been delayed for six months until next spring.

In the summer, the 25 acres of open space and riverside promenades will seem more inviting for the office workers who complain of having nowhere to go at lunchtime.

That said, Canary Wharf's claim that "the environment offers a higher quality of working life than any other in London, with incalculable benefits in terms of morale, productivity and staff retention" looks far-fetched at present.

What of Canary Wharf's central claim that it offers "unprecedented benefits to modern, competitive businesses" compared with London's other inadequate and dear office accommodation?

The property industry would largely agree with Canary Wharf that "the quality of the buildings surpasses that of any other office accommodation in the capital".

Nonetheless, there is no shortage of high-quality, modern buildings in other parts of London. According to APR, an independent research body, two-thirds of the 40m sq ft available for let in central London is brand new. In any case, the problem for London developers is not that companies are happy with their existing offices, but that they cannot escape from lengthy leases at overpriced rents.

Similarly, Canary Wharf is not unique in its promise to help companies "improve their operational efficiency and competitiveness", although the claim is well founded. Ogilvy & Mather is pleased with the improvement in culture and communications that has resulted from its move. "There is a real buzz," says Mr Walsh.

The cost savings of moving to Canary Wharf have narrowed over the past two years, as rents in some parts of central London have halved. Ogilvy & Mather, which is thought to be paying around £30 per sq ft at Canary Wharf, signed its lease when the rent at its old headquarters was threatening to soar. Now agents reckon that renewing its old lease would cost the same as or less than it is paying at Canary Wharf.

Canary Wharf is expensive compared with the rest of Docklands, where it can cost less than £10 per sq ft to rent modern, air-conditioned space. If, for instance, the Department of the Environment moves to Docklands, it will be difficult to justify a deal with Olympia & York, unless it is at an unprecedentedly cheap rate.

Canary Wharf also claims that its tenants "will be at the heart of the most rapidly improving transport infrastructure in the country, in an area which will become the most accessible in the capital". The first point is probably true: £3.5bn is being ploughed into Docklands transport links. The second point is more controversial. Some commentators think that, if Canary Wharf achieves *its projected 50,000 jobs*, the rail, riverbus and road capacity may be stretched.

The reservations expressed by some occupants and potential tenants are not usually shared by casual visitors. The scale, detail and sheer novelty of the project impress many who flock to it at weekends.

Visitors' reactions to the architecture vary hugely. Cesar Pelli's imposing steel tower has been widely acclaimed, but many, like Prince Charles, detest the monolithic scale of the buildings. Canary Wharf's visitors' centre plaintively reminds critics: "Sir Christopher Wren's plans for St Paul's attracted a considerable amount of criticism for its size at the time."

The verdict is also mixed on the interior, which ranges in style from an elegant glass dome at Cabot Place East to a slightly oppressive atrium tower clad in 199 tonnes of streaky, blood-red marble.

Visitors are not just regaled by the architecture. A thousand people a day visit Canary Wharf's visitors' centre, which is an entertaining mix of history and hyperbole. "Canary Wharf, London's third business district, is perhaps this century's prime example of Britain's unwavering strength and confidence," says a display board. "The best transport system in London," trumpets another.

The greatest attraction of Canary Wharf lies in the views from its 800 ft tower, the tallest in the UK. Visits have been limited to potential tenants, opinion-formers and potential investors in the Enterprise Zone Trust – which was trying to raise £215m on one of the Canary Wharf buildings before it was withdrawn yesterday. But O&Y is "seriously considering" extending this opportunity to the public.

A chance to see a view of London hitherto confined to aircraft pilots is likely to pull in the crowds. From 800 ft up, there is a panoramic view across areas as diverse as the City, Wapping, Limehouse, Stepney, the Royal Docks, Bromley, Stratford, Greenwich and the Isle of Dogs, displaying dramatic contrasts in architecture and wealth.

Letting visitors up the tower could be a profitable marketing ploy. Anything that adds to Canary Wharf's profile could help overcome the business world's ambivalence towards the project. As a starting point, the invitation to the top of the tower has been extended to London's taxi drivers – some of the most influential arbiters of opinion in the capital.


Pilot's eye view: it may be revealed to the public

CAPITAL GROWTH (%)

	Retail	Office	Industrial	All Properties
Year to Jan 92	-2.9	-13.8	-1.1	-6.9
Quarter to Jan 92	0.6	-3.0	0.3	-0.8
Month of Jan 92	-0.1	-0.9	0.2	-0.3

Investment Property Databank

Christopher Lorenz

Blueprint for design supremacy

Nine years ago this month, Margaret Thatcher set about trying to help British industrialists fill a yawning gap in their competitive armoury against Japan, Germany and Italy. "Design your way out of recession" proclaimed the then Department of Industry in a "design for profit" awareness campaign targeted at managing directors and finance chiefs.

The industry minister responsible for design went on to declare that companies should cease their futile practice of calling in designers only as an afterthought, merely to put products in an attractive package. Instead, he said they should be made key members of the product and production team and have as much influence in the boardroom as marketing and finance. Quite so.

A month later the government announced it would put its money where its mouth was, by tripling to £10m its funding of a Design Council advisory service which provided free consultancy to small and medium-sized companies.

By the end of that year, the London stock market had begun to wake up to the attractions of design. Through Terence Conran of Habitat-Mothercare and Ralph Halpern of Burton, design was suddenly the "in" competitive weapon in retailing.

Then all sorts of other service organisations caught on, calling in specialist consultants to re-design their "corporate identities". British Airways changed livery, the Woolworth group became Kingfisher, and British Rail revamped all its colours.

Though product design fared less well than retail or graphic design, fortunes were made all over the design profession as consultancies went public and their shares were snapped up.

Across the Atlantic, however, design was still generally seen as a corporate also-ran. It usually operated as a poor relation of more "professional" disciplines such as marketing or engineering.

Now these Anglo-American roles seem almost to have been reversed. Having boomed through the 1980s, the British retail design bubble has burst. Many corporate identity schemes have been frozen, either because of the recession or in the wake of the controversy over the most recent, £60m revamp at British Telecom, which has scared off many boardrooms.

Several consultancies have suffered spectacular crashes, and with a few notable exceptions, only three sectors are doing well: brand identity, packaging and, significantly, product design. That the latter is thriving amid the depressed state of UK manufacturing is a particular tribute to the high standard of its work for a growing number of foreign clients. Some consultancies are doing more than 80 per cent of their work abroad.

On the institutional front, government finance for design consultancy has tailed off just when manufacturers most need it – even if they don't realise they do. The Design Council (of which I am a member) has emerged much leaner than before from a period of retrenchment, but continues to be frustrated at the reluctance of many manufacturers to use design to the full, even after a decade of propaganda and education. Far too many still see it as merely a surface activity.

In America, things are now a very different story. Despite the recession – or partly because of it – business interest in design is booming after a series of heroic, design-led successes. These include Ford's Taurus and Sable models, a string of Japanese products from Sony and others, and, most recently, Apple's PowerBook laptop computers.

While press interest in Britain has faded from its peak, the serious American business press has gone wild about design.

What accounts for this transatlantic gulf? Is it just a natural time-lag as corporate America wakes up belatedly to a management fashion which has peaked in Britain? Will its own interest also wane?

The answers to these questions lie, above all, in the more professional way in which American companies have gone about using design.

First, the American design wave is very much more product-led than was the British, where retail and graphic design left product design very much in the shade. Yet, as the Americans are finding, product design and development is a much deeper and longer process than the surface work of retail and graphic projects, and cannot be stopped so quickly when times turn tough, or management fashions change. So it provides a more solid base on which to build design into the fabric of a company.

Second, the American design community, and those Britons and others who export designs to the US, have benefited immeasurably from having come in on the coat tails of the powerful quality movement. In Britain it was the other way round.

The "design message" was promulgated in the early 1980s before the quality fashion arrived from the States – in some companies it swamped their nascent interest in design.

In a well run company, quality and design should go hand in hand, two relatively new disciplines – or ways of thinking – which must be integrated into the product development process with the more established ones of marketing, engineering, production and so forth.

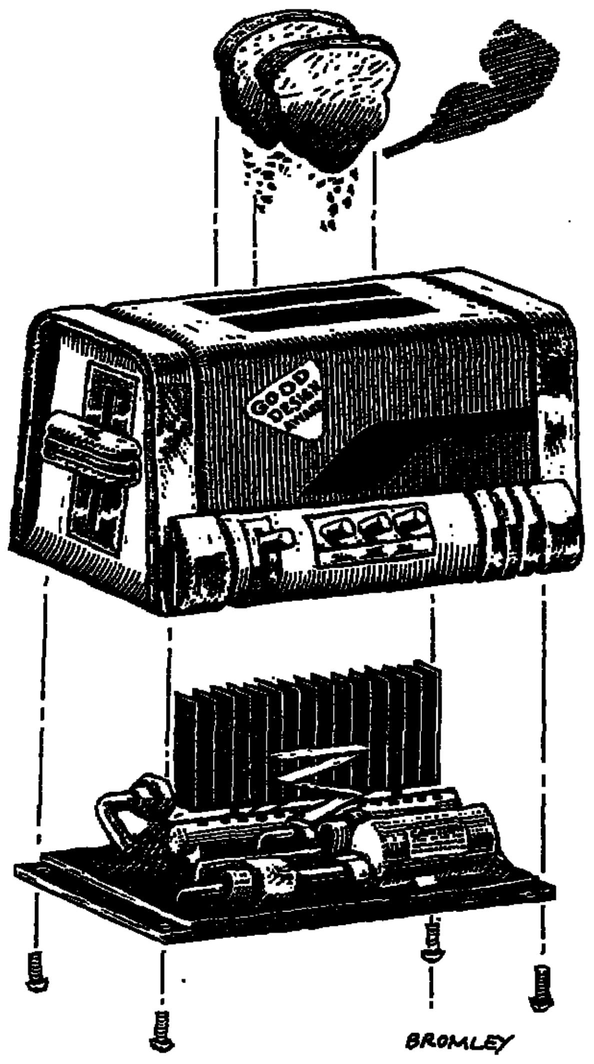
Such integration within Ford of America is precisely what made the Taurus-Sable project so remarkably successful; in Europe, however, design has fared less well within Ford's management hierarchy, as the lacklustre new Escort demonstrates.

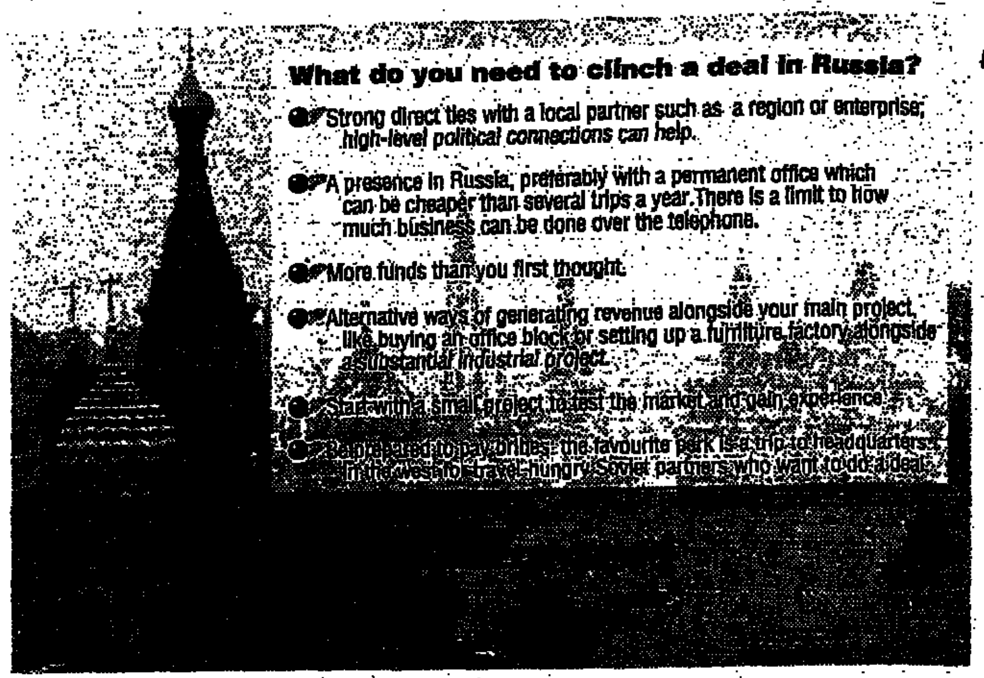
The need for design to be integrated as a team player with quality, marketing and so forth is very much the message of a highly influential US research body, the Design Management Institute (DMI). By collaborating with the Harvard Business School, this Boston-based organisation has developed a set of increasingly popular international teaching case studies, some of which are now being taught on Harvard's "core" courses and elsewhere.

In Britain, the London Business School is now also taking the integrated route. LBS was the world's pioneer in teaching design to students and executives, though it is now being challenged by Harvard. Its work is being focused more than in the past on product design and development – a well known Japanese professor of technology management joins its staff next month, when it also hosts the DMI's annual international research forum of design academics.

But a few swallows in Regents Park cannot, on their own, create a summer of revolution in the engine rooms of UK industry. There is still far too little evidence in Britain that industrial designers are being taken as seriously as in many US companies, where they really are becoming full team players. One of the few exceptions is the Rover Group, whose chairman, George Simpson, was guest speaker at last week's announcement of the Design Council's British Design Awards.

Industry and designers alike will be helped if more companies take a leaf out of the American and LBS book, and make integration a priority. As Simpson argued last week, design is, in every sense, a multi-disciplinary team activity with intimate connections to quality, marketing and production. It should not be seen as an independent cure-all.





The Russian revolution

Leyla Boulton looks at difficulties facing investors

Leonid Grigoriev, the economist responsible for attracting foreign capital to Russia, compares his job to that of a gardener. As head of a newly-created Committee for Foreign Investment, he says he has to clear away a multitude of rocks and wild growth before foreign investment can flourish.

As foreigners already trying to do business in the former Soviet Union will confirm, the environment remains distinctly hostile.

The economy is crying out for foreign investment to convert military production to civilian output, to modernise creaking old factories, and to cut huge waste in the exploitation of natural resources. Yet, after seven decades of protection against foreign capitalists, everything about the place seems designed to discourage foreign investment – apart from jealously guarded natural resources and the potentially enormous future markets.

Businessmen cannot get visas upon arrival but need to apply for them in advance, with the support of a local sponsor and specifying which destinations they propose to visit. Private ownership of land is not allowed and that of other assets is difficult; the banking system is paralysed; missing bits of legislation and the existence of powerful vested interests mean that even deals agreed with a Russian partner are obstructed within the state bureaucracy or parliament.

Pacing around his office in the former Gosplan building – where officials used to plan the Soviet economy five years at a time – Grigoriev complains that most of his compatriots have no idea of what makes foreign capitalists tick. "Many people think foreign investment is a substitute for the centralised investments of Gosplan; that the money they used to get from Gosplan will now come from foreigners."

One of the authors of the 500-Day Programme for radical economic reform, Grigoriev still teaches a Moscow university course on US financial corporations, mergers and acquisitions, and bankruptcy.

But apart from education, he sees his main task as providing the legislative base for investment – the law on foreign investment adopted last July is already out of date – and convincing the government to provide conditions for investment to flourish.

For despite the symbolic victory of occupying the Gosplan building, the young government of economic reformers which he joined three months ago has yet to gain real power over the vast state machinery it inherited from the former Soviet Union.

Grigoriev has to break off the interview a few times to shout down the telephone to secure hard currency for colleagues to fly to Washington the next morning. Their mission is to negotiate a bilateral agreement to protect US investors in Russia.

In fact, Russia is suffering not so much from an absence of foreign investors as from its inability to satisfy those prepared to defy present problems to do business.

The government has achieved many firsts since coming to power: it concluded Russia's first oil production sharing agreement, got a crucial mineral deposits law through parliament, and selected a US-Japanese consortium to investigate huge oil and gas resources off Sakhalin Island. It is even negotiating the first ever deals allowing foreign companies to exploit Russian gold mines. But most of the projects are still facing snags getting off the ground.

What is Grigoriev's advice for foreign investors? "As a government official I say 'You must come here'. But as an honest man, I'm saying 'We're starting from the beginning'. Things may yet get worse before they get better but gradually we will create decent conditions for investment."

Jumping on a circus roundabout

Susan Moore visits the 'Automata' exhibition on the South Bank

By happy coincidence the film of Alexander Calder operating his wire circus plays in two London exhibitions. At the Royal Academy, amid his mobiles, wire sculpture, jewellery and drawings, Ringmaster Calder is filmed bringing to life his extraordinary miniature troupe. Trapeze artists somersault and fly from bar to bar, fall off into the safety net and, with Calder's assistance, make their way to the edge and swing to the floor. A horse, cranked into action by the turn of a handle, revolves around the ring and an acrobat flips into the air to land on its back. An exotic dancer, the victim of an incompetent knife-thrower, is removed from the scene by stretcher.

There is no attempt at illusion or deception. The lumbering, bear-like impresario is only too apparent. He simulates the lion's roar, blows the whistle between acts and introduces each performer in gutteral musical hall French. His stubby fingers unfurl and roll up the different coloured mats used for each act, and help the improvised and only partially automated performers and animals on their way.

The performance is pure delight. His audience is transfixed by the way these tiny perfunctory people – confected out of wire, cork and fabric scraps – are able to replicate human movement by the most economical of means. We ooh at the trundling gait of the stretcher bearers, and the gyrations of the belly dancer's hips, and ahh as the strong man Rigoulot, clad in a scrap of leopard skin, raises his great weight in a sequence of authentic jerks.

The Circus, begun in Paris in 1926, proved the precursor of the mobile and of a new kind of automaton or man-made man, far removed in spirit and appearance from the slick clockwork parlour toys of the 18th and 19th century, Imperial Easter eggs and Laughing Policemen. Its progeny currently fill the foyer of the Royal Festival Hall, their grindings, honkings and rattlings drowning Calder's recorded roars and whistles.

Modern automata defy classification. The motley wood and metal constructions of the 25 makers here inhabit very different planes of a strange, whimsical world born of folk art, toy-making and the kinetic sculpture of Tinguely and Calder. What they have in common – and what distinguishes them from the likes of chess-playing mechanical boffins and writing boys – is both a deliberate lack of technical sophistication and a self-consciously ironical wit. These automatists make no attempt to conceal the enchantingly simple mechanisms of their creations. They simply invite the spectator to share the joke.

Sam Smith is perhaps the real father of the new generation of British automatists – and it is essentially a British and a narrative genre. Tableaux such as "Custer or a second groom being rowed across the lake by his third bride" combine folk art with Absurdist humour. His brightly coloured and minimally articulated carved figures leapt out of the fairground and into the gallery. There modern automata have sat, albeit uncomfortably, ever since.

Absurdity runs rife. All we see of Peter Ellis's "Injuns" is two tiny feathers hopping up and down behind a massive block of wood. Likewise his "Hoe-down" is reduced to a pair of miniature dancing cowboy boots at the end of very long poles. As a yacht bobs up and down in the distant waves in Tom Wilkinson's "The Crustacean Keep-Fit", a crab on a treadmill daintily hops over its course of beached shells and starfish to the balmy strains of an Hawaiian band.

Wit and subversion often go hand in hand. Ron Fuller's version of sheep shearing has the woolly one wielding the giant sheers and every now and then chopping off the head of the farmer presented for crew cut. John White's grinding "Cycling to Work" offers satirical social comment. His "But soft, what lout thro' yonder window breaks" is what else but a winged, bald fat-bellied lager lout blowing a horn? Jon Mills's metal Punk steadily bashes a nail into his head.

Some automata are made simply to amuse the person who pushes the button, turns the handle, pedals the bicycle wheel or slots in the 10p. Others are intent on unsettling their audience. Human behaviour is horribly well observed and aped with uncomfortable accuracy. Paul Spooner sets his six blank-faced sailors around a table eagerly awaiting their share of the substantial roast the captain is carving. Turn the handle and the sailors impatiently bang the table with their knives and forks. It is 1618, and in their ignorance they are clamouring to devour the last Dodo.

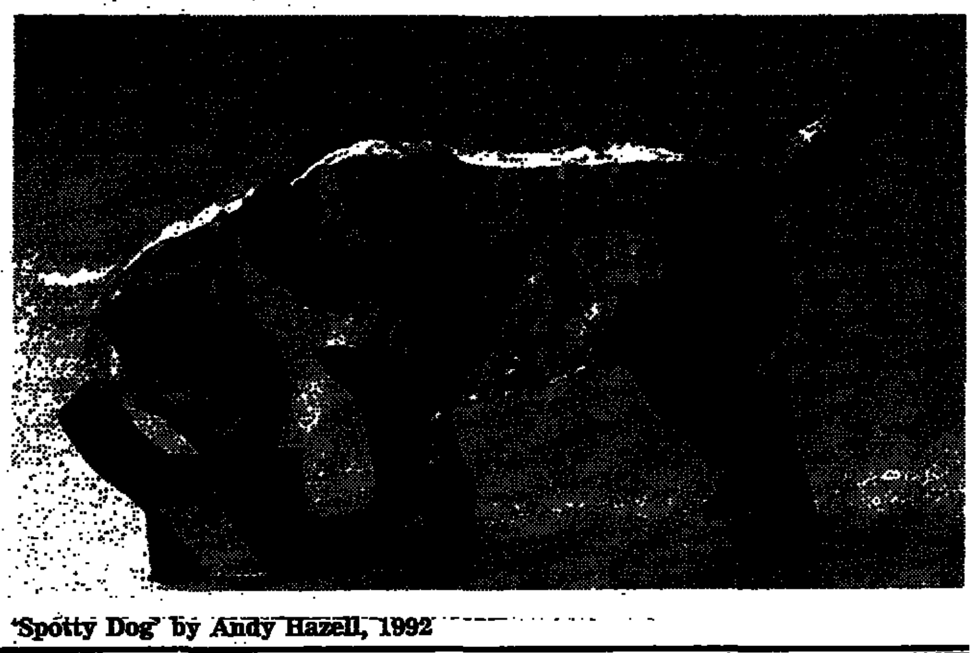
In contrast to colourful end-of-pier complexity come the likes of Benedict Whybrow's life-size metal party guest – complete with moving wire-mesh waistcoat – and calligraphic woman with a poodle, achieved with a caricaturist's telling economy of line. Tim Hunkin's fairly crude papier maché busts are again extraordinarily expressive, registering a variety of all too convincing reactions to abstract art; wide-eyed incomprehension from the builder who scratches his head, a shrug from his wife nicely pasted up in pink floral wallpaper. Salvaged materials are ever imaginatively recycled.

Jan Zalud's highly polished mask-like heads are more disturbing. With poking tongues, pointed teeth and waggling hair they are grotesque but sadly not unhuman. His brilliant Heckler is animated by convincingly loutish and ugly lunges and jeers.

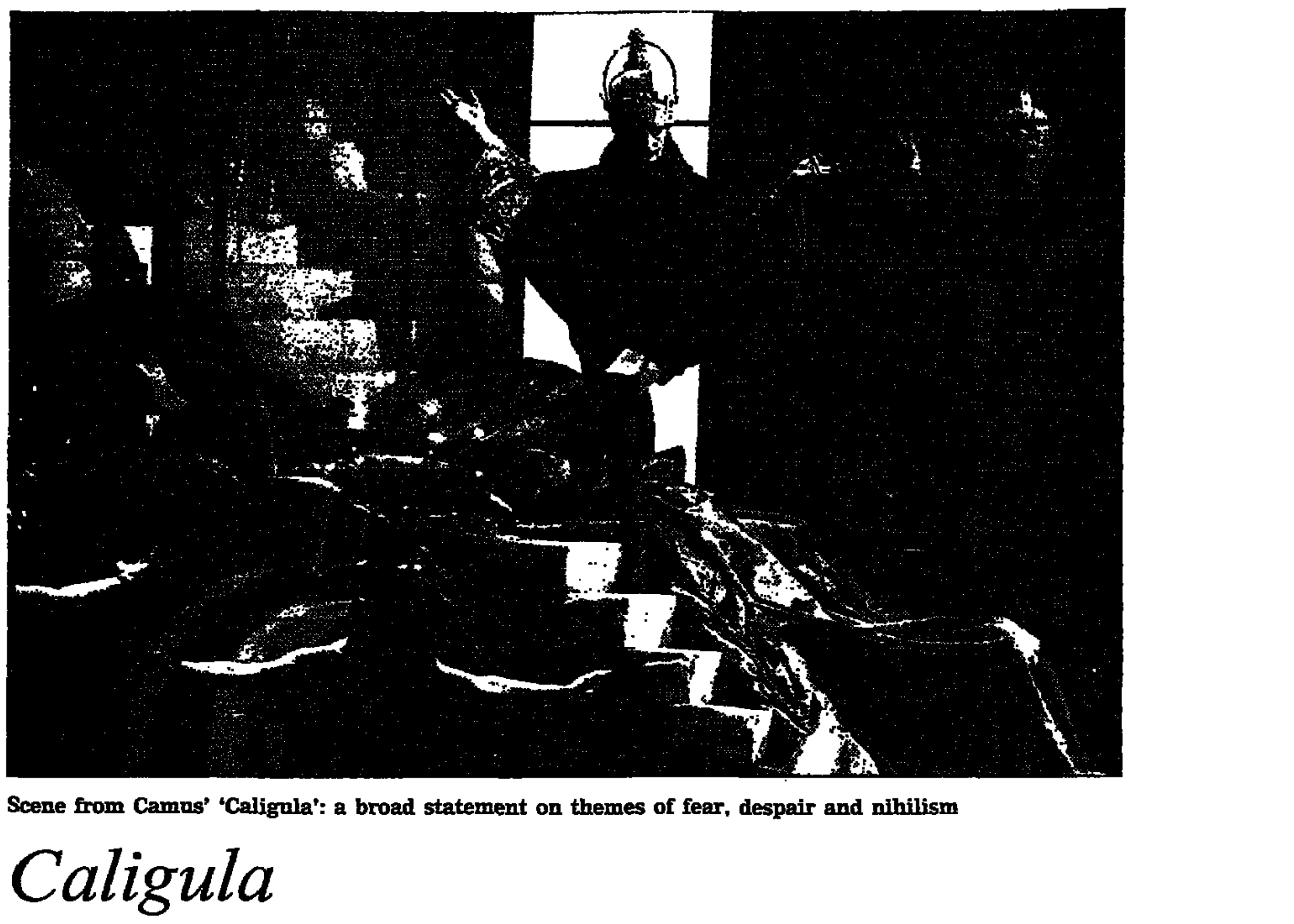
One of the automatist's greatest assets is our underlying unease about technological progress. Can it be a coincidence that Calder's faux-naive moving figures date from the first days of the robot? We are surrounded and confounded by technology which we cannot begin to comprehend. Adrian Moakes's Heath Robinson contraption to hail a bus is really no more ridiculous than the over-complicated gadgets we use daily.

A first hint of the machine's manic wilfulness comes with Lucy Casson and Andy Hazell's tin trouvé juddering and clattering washing machines and refrigerators. Oliver Langham goes further and harnesses animal aggression to exploit our subliminal fear of not being able to hold our mechanical monsters in check. He offers giant spiders and enmeshed flies, and menacing propeller bees with legs like mechanical grabbers that whirr and flap all around us.

"Automata" continues at the Royal Festival Hall until April 12; and at the John Hansard Gallery, Southampton, April 28-May 30.



'Spotty Dog' by Andy Hazell, 1992



Scene from Camus' 'Caligula': a broad statement on themes of fear, despair and nihilism

Caligula

COMEDIE FRANÇAISE, PARIS

"Le theatre n'est pas un jeu, c'est la conviction", Camus once said. It has taken the conservative Comédie Française over 50 years to risk Camus' drama of existentialist conviction, but now amends have been made. The theatre's first *Caligula* (to June 24) is a stunning production.

Camus' drama follows the facts of Suetonius' history, but his hero is an existentialist *philosophe* housed in the body of a Roman dictator: the mad logic of nihilism drives this Caligula to tyranny. The play was written in 1938 but war delayed performance until 1945, when it was seized on as a prophetic wonder which had anticipated Hitler. "Our century is the century of fear", wrote Camus, but he always denied the precise political analogy, and time has proved "Caligula" a broader statement of the themes of fear, despair, nihilism.

Youssef Chahine revives it as a vision of contemporary horror: urban violence, terrorism, mass media as both a creator of dangerous orthodoxies and a force for banalising our responses to them. Inserts of films and other non-conventional staging – Chahine is a film-maker – underline the interpretation. The result is chic, radical and, to foreign eyes at least, typically Parisian in its mix of philosophy, politics and stylish aesthetics.

Sandwiched between crumbling classical columns and stone walls, a huge steel and glass office block rises to the roof of the Comédie Française stage. Sometimes, it reflects a cityscape painted on panels in the wings; sometimes it is a screen projecting rabble-rousing crowd scenes or Caligula's face, many times enlarged, as it booms out to the audience while the dictator stands dwarfed beneath it. A forum at the front also merges old and new: ruined arches and pillars, flights of stone steps, a yellow moped, flashing roadwork lights, cordons, signposts.

The ancient/modern mix suggests Rome, but Chahine widens the image to any city. Drills whirr, workmen in helmets alternate with wailing veiled women at an Islamic funeral, an old pinstriped banker shuffles round the rubble; kids lounge on the steps, cameramen from "Satellite TV" pop up from each corner. As on television, the exotic cuts into the everyday: Chahine shares Camus' North African background and recalls it through an Arab bazaar, and in the drums and tambourines of Mohamed Nouh's specially composed music.

By contrast the Roman patricians are the western, chattering classes: puffed up in gold togas, they sample grapes, prattle, giggle and massage one another – a smoke-filled box in the auditorium is converted to a Roman bath for the evening. This sort of decadence needs a Caligula, suggests Chahine: Jean-Ives Dubois, lean and long in black tracksuit, swivels round in an office chair, cool, efficient, deliberate in movement, calm in his dissection of their false values: "Les hommes meurent, et ils ne sont pas heureux".

The drama is that he loses his sanity as the patrician-puppets, and especially Cherea (Michel Favory), grow through fear and bereavement into warm, vulnerable characters. Backed by screen and microphone, Dubois becomes an automaton of terror, only human – and comic – in his crazy obsession that his slave will fetch him the moon, symbol of impossible attainment (according to history, Caligula had a moon fetish.)

Black humour hints at rather than wallows in violence: the menace of Caligula got up like Botticelli's Venus, emerging from below the stage and demanding obeisance; corpses wheeled across Caligula's diner party and ignored; a speeded-up poetry competition where each poet is allowed a few seconds to speak, and the last one only to part his lips, before black hoods are thrust over them and they are lead off to execution. Fights are stylised into acrobatics. Caligula and the poet Scipio (Lilah Dadi, a touching blend of worldliness and naivety) joust while turning somersaults on a trampoline; there are jugglers, knife-throwers, a danse macabre of punks and soldiers slicing into one another.

To reveal the dynamics of the climax would be to play spoilsport; but in a mix of old-fashioned theatrical chill and clever cinematic tricks Chahine pulls his themes together and has Caligula, tragic hero in spite of all, literally reaching for the moon. But every scene is dramatically inventive, different, and acted and choreographed with consummate skill and apparent ease. Cumulatively they question everyday assumptions, moral tabs, political involvement (Favory's Cherea, reluctantly bloodstained, points a dripping hand at the audience), our own distancing of terror as it is "stylised" by repetition on the small screen. *This is the most exciting theatre in Paris since Peter Brook's multi-cultural Tempest* here two years ago.

Jackie Wullschlager

Dance in 'Death in Venice'

COVENT GARDEN

Covent Garden's new staging of *Death in Venice* deserves its acclaim. Anyone interested in movement must particularly rejoice in Philip Langridge's Gustav von Aschenbach, even more full of beautifully expressive detail in stance and gesture than his recent Captain Vere and Peter Grimes.

My brief, however, is to talk of the staging's new dances. Kim Brandstrup's choreography is unobtrusive, well-made and in no respect interesting. It fits tactfully into the overall scheme of things, but it makes Tadzio appear a creature of thoroughly finite variety. His dances are an array of half-a-dozen movement motifs that seldom coalesce into a phrase. As a result everyone can see that young Giacomo Ciriaci is very pretty, but no one can be sure how good a dancer *he is*.

And he looks very real. Tadzio's music, inspired by the tintinabulations of the Javanese gamelan, is unmistakeably Other; it shows that he exists on a different plane. And in this respect Brandstrup's choreography is unmusical. The biggest disappointment occurs at the end. As Tadzio summons Aschenbach's soul into the horizon, the music evokes the end of Mahler's *Lied von der Erde*. This Tadzio, however, just swings his legs and strikes a static classic pose. It was just here that Frederick Ashton's choreography for the original production was most masterly. His Tadzio slowly swam *through* flowing classical poses, travelling as if in slow motion into the distance.

Ashton's dances were generally the least admired feature of the original staging – partly because the first Tadzio, Robert Huguenin, with thighs too powerful to make sense of the role's boyishness, looked too knowing, and partly because, as Ashton remarked, Britten was not interested in writing dance music. Brandstrup has had the same problem with the pentathlon dances in Act I as Ashton had in 1973: the music asks for activity too literal to be interesting as dance.

I saw the old staging in 1973, '75 and '78; the latter revival was when Ashton's dances came into their own. The Tadzio then, Douglas Howes, was not a classic pretty-boy type, and his serenely excellent dancing and exceptionally innocent manner made new sense of the choreography's classicism. Even the beach dances seemed to have doubled in substance.

Ballet, said Balanchine, is Woman; and it is essentially a heterosexual art. The woman dances on pointe; the man does not. He partners her. She can do more than he. The positions may not be reversed without a diminution of the art's classical dimension. The danseur is human, the ballerina becomes an allegory. Ashton usually followed these principles.

But in the ending of *Death in Venice* is a boy who summons the poet into eternity. This is really the gay equivalent of the end of Stravinsky's ballet *Le Baiser de la Fee*, in which the fairy (or muse) leads the hero (or poet) into her eternal kingdom.

When *Death in Venice* was new, Nureyev and Dowell had won for the male dancer a status equal to the ballerina. One may not altogether enjoy that; "The era of the ballerina is over," remarked Fonteyn. But it gave a special significance to Ashton's finale to *Death in Venice* that is absent from Brandstrup's new choreography. Ashton's Tadzio was male *and* a ballerina.

Alastair Macaulay

Straight and Narrow

WYNDHAM'S THEATRE

Straight and Narrow is an undemanding family comedy of the kind that one thought nowadays was confined to television, from where most of its stars come. The most striking fact about it is the social change that must have taken place about what is acceptable in the West End theatre over the last decade or so.

Jimmie Chinn's play treats male homosexuality as normal. There is no attempt to be daring or to shock. As one of the female characters remarks, the homosexual couple has a way of life just as "dreary and respectable" as the rest of the family who are married.

Indeed it appears that homosexuality has been running in the family for years. The dead father is revealed to have been prone to it. One of the married male characters admits to having an uncle who goes on marches for gay rights in Manchester. Another, who has just returned to his wife after a fortnight's fling with an oversexed (female) shop assistant at Boots the chemists, reflects that he has often thought that he might like to be gay.

This ought to be interesting stuff. The trouble is that the female character is right: all the couples are dreary and respectable, regardless of their sexual proclivities. The setting moves between Manchester and Malta, though without a change of scenery. What drama there is hinges on a possible break-up between the homosexuals. One of them, Jeff, has previously had relations with women. He hankers now after another, if only to father a child. Curiously, it turns out that he has already done so, but failed to keep in touch. The plot has the odd surprise.

There are some good performances. Carmel McSharry, who appears in *In Sickness and in Health* on television, plays the mum deliberately dressed as a lower middle class version of the Queen Mother. She is a very accomplished actress. Nicholas Lyndhurst plays her homosexual son, Bob, partly in the guise of a stand-up comic telling sad stories, but adding the occasional joke. Only Neil Daglish as Jeff, however, suggests that there might be a world beyond the Manchester suburbs, and even he succumbs to routine in the end.

Straight and Narrow is directed by the immensely experienced Allan Davis who achieved such a long-running success with *No Sex Please – We're British*. One assumes that he knows what he is doing here, but I wouldn't bank on it.

Malcolm Rutherford

INTERNATIONAL ARTS PREVIEW & EXHIBITIONS

The Royal Shakespeare Company opens a new season at London and Stratford over the next two weeks. Performances at the refurbished Barbican Theatre in London begin on March 31 with Adrian Noble's production of Henry IV Part 1 (previews from March 26), followed by Part 2 at the end of April.

The production, well received last year at Stratford, has Robert Stephens as Sir John Falstaff. The first play to be seen at the Barbican's second stage, The Pit, is Thomas Shadwell's Restoration comedy The Virtuoso, opening on April 2 (previews from March 26). The London season continues with Sam Mendes' production of Ben Jonson's satire The Alchemist (April 15), which transfers to the Barbican after a sell-out season at Stratford.

Other transfers include Romeo and Juliet, directed by David Leveaux (June 24), and The Thebans, Timberlake Wertenbaker's new version of the Sophocles plays, directed by Adrian Noble.

In the summer, the RSC stages the world premiere of Richard Nelson's play Columbus. Later in the year, Kenneth Branagh takes the title role in Hamlet, directed by Adrian Noble (071-638 8891).

The Stratford season opens on April 1 with Bill Alexander's production of Shakespeare's comedy The Taming of the Shrew, with Anton Lesser as Petruchio (Royal Shakespeare Theatre, previews from March 26). The Swan Theatre makes a rare foray into music theatre with John Gay's The Beggar's Opera on April 7 (previews from March 26), directed by John Caird.

Other highlights of the Stratford season include the return of Peter Hall to direct All's Well That Ends Well (June 30), and Tamburlaine the Great, to be directed by Terry Hands with Antony Sher in the title role. Max Stafford-Clark and Michael Attenborough make their Stratford debuts directing new productions (0789-295623).

On April 9, London's Royal Opera House hosts the Kirov Opera and Ballet for a gala in the presence of the Princess of Wales, featuring extracts from Evgeny Onegin, Swan Lake, Prince Igor, Le Corsaire, War and Peace and other great Russian works. This is followed on April 14 by Prokofiev's Fiery Angel, in a production by David Freeman first seen in Leningrad last December (071-240 1066).

EXHIBITIONS GUIDE

BASLE

Kunstmuseum From An Isolated Land: ten artists from east Germany whose work went largely unnoticed because it did not conform to official policy in the Communist era. Ends May 3. Also Hans Holbein the Younger: an exhibition, drawn from the museum's own rich collection of Holbein's work, focusing on drawings and page illustrations. Ends May 17. Closed Mon

Museum für Gegenwartskunst Community painting: 35 exhibits by a group of artists from Dresden (including A R Penck), who explored gaps in the official artistic policy of Communist East Germany in the 1970s. Ends June 22. Also Georg Baselitz: trial woodcuts from the workshop of one of the major painter-engravers of the 20th century. Closed Tues

BERLIN

Brücke Museum The Brücke: the museum named after the Dresden-based group of early 20th century German Expressionists celebrates its 25th anniversary with an exhibition of 370 drawings and watercolours. Ends May 17. Closed Tues (Bussardsteig 9)

Schloss Charlottenburg Palace of the Gods: 1500 years of Indian art, including sculptures, reliefs and architectural fragments. Ends June 28. Closed Mon (Grosse Orangerie)

Altes Museum Degenerate Art: 1930s art which fell foul of the Nazis. Ends May 31. Also German Expressionists: 120 watercolours and drawings. Ends May 3. Closed Mon (Bodestrasse 1-3)

Martin-Gropius-Bau The Jewish World. Ends April 26. Daily (Stresemannstrasse 110)

BRUSSELS

Musée d'Ixelles Turner's Rivers of Europe: an exhibition tracing Turner's tours to the Low Countries. Ends April 30. Closed Mon (71 rue Jean Van Volsem)

GENEVA

Petit Palais Dorine Soffer: an exhibition of sculptures by the contemporary American artist. Ends April 10

GRANADA

Alhambra Al-Andalus: The Art of Islamic Spain. The first comprehensive exhibition on the subject of Spanish Islamic art from the 8th to the 15th centuries, from the decorative arts of the Caliphate (910-1031) to the dazzling urban culture of the Nasrid Dynasty (1232-1492). The exhibition demonstrates the spectacular power of Iberian Islamic arts. Among the 120 objects are illuminated manuscripts, metalwork, jewelry, ceramics, ivories, armour, textiles, carpets and architectural items. Ends June 7

LONDON

National Gallery Rembrandt: after recent showings in Berlin and Amsterdam, this major exhibition of paintings by Rembrandt and his pupils arrives in London on March 26, along with a selection of etchings from the British Museum (till May 24). Advance booking through First Call (071-240 7200)

Tate Gallery Otto Dix (1891-1969): major centenary exhibition. Ends May 17. Also David Hockney: Seven Paintings. Ends July 26. Also Brice Marden: leading contemporary painter-engraver. Ends June 21. Also Turner: watercolours and drawings 1830-1840. Ends May 10. Daily

Victoria and Albert Museum Jewels of Fantasy: Costume Jewellery of the 20th century. The exhibition comprises 350 pieces by names such as Chanel, Dior, Eisenberg and Kenneth Jay Lane, and traces the impact of social, economic and cultural influences on costume jewellery design. Ends July 5. Daily

Royal Academy of Arts Alexander Calder (1898-1976): wide-ranging retrospective of the popular US artist. Ends June 7. Also Andrea Mantegna. Ends April 5. Daily (Tickets can be booked in advance on 071-287 9579)

Barbican Van Gogh in England. Ends May 4. Daily

MADRID

Biblioteca Nacional Ignacio Zuloaga (1870-1945): major international retrospective of one of Spain's greatest modern painters, whose work is characterised by breadth of vision, colour and excitement. Ends April 10 (Paseo de Recoletos 20-22)

Centro de Arte Reina Sofia Clyfford Still (1904-80): retrospective of the American painter best known for his abstract expressionist canvases, often heavy in oil impasto, which consist of jagged-shaped islands of contrasting colour. Ends May 17. Also Visionary Switzerland: an expression of the Swiss identity in art. Ends May 10. Closed Tues

Museo Sorolla Zorn and Sorolla: the Swedish painter, Anders Zorn (1860-1920), and his Spanish friend Joaquin Sorolla y Bastida (1863-1923). Ends May 3 (Paseo del General Martinez Campos)

NAPLES

Castel Sant'Elmo and Certosa di San Martino Jusepe de Ribera (1591-1652): major retrospective of one of the finest baroque painters. Ends May 17. Daily (09.00-20.00 Mon-Sat, 09.00-13.00 Sun)

NEW YORK

Brooklyn Museum Arman (b1928): 70 works by the French-American avant-garde artist. Ends April 26. Closed Mon and Tues

Metropolitan Museum of Art William Harnett: 50 works by a late 19th century American master of still-life painting. Ends June 14. Also masters of the French 19th century school of naturalist landscape. Ends May 3. Closed Mon

Museum of Modern Art Contemporary American and European drawings. Ends May 5. Also the William S Paley Collection: works by Cézanne, Picasso, Matisse and others. Ends April 7. Closed Wed

PARIS

Grand Palais Toulouse-Lautrec. Ends June 1. Closed Tues, late opening Wed. Tickets can be booked by phone on 4804 3886 and by fax on 4274 3069 (ave du General Eisenhower, metro Champs-Elysées, Clemenceau). Also Les Lautrec de Lautrec at the Bibliothèque Nationale (1 rue Vivienne, 2e) and other exhibits echoing Lautrec's world at the Musée d'Orsay. Ends May 31. Closed Mon

Louvre Clodion (1738-1814): largest exhibition ever devoted to the French sculptor, who specialised in small figures of nymphs and similar subjects treated in a frankly sensual way. Ends June 29. Closed Tues (Hall Napoleon)

Musée des Antiquités nationales The Stuart Court at Saint Germain en Laye at the time of Louis XIV. Ends April 27. Closed Tues (more information on 3451 5365)

Galerie Odermatt-Cazeau Germaine Richier (1902-1959), French sculptress. Ends April 25. Closed Sun (85 bis, rue Faubourg St Honoré)

TURIN

Lingotto American Art 1930-1970: a gallop through 40 years of American art, from early 30s realism to 60s Pop. Artists include Giorgia O'Keeffe, Pollock and Warhol, seen to advantage in the vast spaces of the converted Fiat factory. Ends March 31

VENICE

Palazzo Grassi Leonardo and Venice: drawings by Leonardo da Vinci from Italian and foreign museums. Using the five drawings from the Accademia at Venice as a starting point, the organisers have attempted to bring together works on similar themes. The exhibition also explores Leonardo's influence on painters of the Venetian Renaissance such as Giorgione, Titian and Bellini. Ends July 5

Museo Correr Canova sculptures and the Farsetti Collection from the Hermitage. Almost as fascinating as the eleven glistening marble works by Antonio Canova (including the charming Cupid and Psyche and the first version of The Three Graces) is the collection of terracotta maquettes by masters such as Gian Lorenzo Bernini and Algardi, which had belonged to the Venetian abbot Filippo Farsetti and were sold by him to Tsar Alexander I. Ends Sep 30

FINANCIAL TIMES
NUMBER ONE SOUTHWARK BRIDGE, LONDON SE1 9HL
Telephone: 071-873 3000 Telex: 922186 Fax: 071-407 5700
Friday March 20 1992

Propping up Japan Inc

MR YASUSHI Mieno, the governor of the Bank of Japan, has made his point. Having asserted his independence by conspicuously failing to respond to pleas from leading politicians for a cut in interest rates, he should now do what he probably intended to do all along. The latest GNP figures, which showed that the Japanese economy was shrinking marginally in the final quarter of last year, merely provide a formal excuse. A cut in the discount rate must be odds-on before March 31, an important reporting date for Japanese financial institutions.

Mr Mieno would, of course, be entitled to plead that the views of leading members of the ruling Liberal Democratic party on monetary policy are scarcely impartial. Just as the stock market boom provided them with fund-raising opportunities, both legitimate and scandalous, the subsequent crash has had an equal and opposite effect on their finances. The LDP is thus one of many victims of Mr Mieno's tough monetary stance. But in this instance, its deputy president, the vociferous Mr Shin Kanemaru, is right, even if his motivation is open to question.

The Bank of Japan's reluctance to bring down interest rates more rapidly is rooted in the fear that asset price inflation could be re-ignited. This is understandable on the part of any guardian of the currency; but in this instance it is a case of responding to the last crisis but one. The Japanese financial system is creaking at the seams. And as the scandal at Daiwa Securities revealed last week, there are still substantial losses in the system which have yet to be recorded and absorbed because no one can agree on where those losses should properly fall. Put another way, the understandings on which many of the trade-offs and cross-subsidies in the Japanese financial system have been based are coming unstuck. There are likely to be more uncomfortable revelations in the pipeline.

Real economy

The more important reason for questioning the present monetary stance lies in the real economy. Many leading Japanese industrialists have been arguing that Japan Inc. is fundamentally sound and that it faces no more than a cyclical upset. Yet there are good grounds for thinking that the problem is structural. Growth in the late 1980s was driven primarily by business investment, which was undertaken on the kind of scale that prevailed when Japan was still capable of generating double-digit growth. The investment boom was financed at what were perceived to be minimal, or even negative, borrowing costs. Much of that investment thus went into sub-optimal projects, which is the polite economist's way of saying that it was wasted.

Inescapable fall

Against that background, and with real financing costs looking exceptionally high, a fall in capital spending was inescapable. Meantime, in the aftermath of the asset price bubble, it is hardly surprising that the debt-laden personal sector is reluctant to spend and that the trade surplus is rising ominously. Yesterday's news that volume limits on car exports to the US are to be cut will probably make little difference to the political fallout in the run-up to the presidential election. Japanese car production in the US was no doubt undertaken to deal with just such a contingency, and it is soaring.

The question now is whether a cut in interest rates and accelerated public works spending will be sufficient to stave off a serious recession. The lesson from the US appears to be that a heavily indebted economy with big financial problems is much less responsive to relaxations in monetary policy than expected. The scope for a significant fiscal expansion in Japan is far greater than in the US; but the traditional Japanese reluctance to loosen the purse strings will limit the extent of any boost. So, too, will the fact that the construction sector still suffers from bottlenecks and labour shortages left over from the boom. The government and the central bank will probably provide a modest prop to confidence in the short run. But it will be some time before Japan returns to the 5 per cent growth of the late 1980s.

Politics and unemployment

THE IDEA that unemployment does not affect the outcome of UK general elections is now being put to severe test. Mrs Thatcher had the good sense, or good fortune, to seek re-election when the economy was growing and unemployment was rising slowly or falling. Not so Mr Major. Against a background of falling output and accelerating unemployment, he must persuade nervous southern householders that things would be worse under Labour. The polls suggest voters are not convinced.

Yesterday's figures will do little to ease their fears. Unemployment has accelerated upwards in recent months and is rising fastest in the south and west Midlands, where many finely balanced Tory marginals are concentrated. And the figures will probably be rising for another year or more. The case against the government is that its errors caused the recession. The case for change is that unemployment will peak earlier and fall faster if Labour is elected. It is a case that Labour has yet to make convincingly.

The exchange rate mechanism will constrain the ambitions of whichever party is elected, assuming their resistance to devaluation is sustained. The recovery, when it finally comes, will remain sluggish until German interest rates start to fall and maybe longer.

Fiscal stance

Nor does fiscal policy materially differentiate the two parties. Both budgets implied the same overall fiscal stance, although Labour would channel more money into temporary investment incentives and infrastructure spending than into tax cuts. Labour's package would probably be slightly more expansionary. Independent calculations from the National Institute of Economic and Social Research suggest growth under Labour would be 3 per cent in 1993 compared to 2.7 per cent under the Conservatives. Yet the difference between them is dwarfed by the normal margin of error in forecasts.

It is the two parties supply-side policies that will most affect the long-term difference in the rates of economic growth they can deliver. In the field of support for the unemployed and wage-bargaining, the government offers more of the same while Labour offers modest change.

Yet not all of Labour's reforms are desirable. The NIESR expects unemployment to be 300,000 lower under Labour in 1993, largely because of the more extensive package of support for the unemployed promised in its manifesto. Commendably, Labour promises to restore last year's cuts in spending on training for the unemployed in order to guarantee job experience or training, as well as just counselling, for everyone unemployed for over six months. But it also plans a statutory minimum wage which would cost upwards of 100,000 jobs – ostensibly to end "poverty pay", but in reality to appease the public sector unions.

Archaic system

Labour has also shuffled towards bringing some order to the the archaic UK system of wage bargaining. Yesterday brought the dismal news that UK average earnings have fallen by less than one percentage point since last June, since when unemployment has risen by 350,000. At this rate, many more jobs will have to go before the UK finally gets its rate of wage inflation down to a sustainable level within the ERM.

Labour's national economic assessment might, at least, focus the minds of British businesses and trade unions on the need to cut wage inflation to below 5 per cent. The risk is that it, as with many of Labour's proposals, could become a tool for government intervention to protect interest groups when the going gets tough.

Labour now talks the language of the market and stresses the need to boost Britain's miserable labour productivity. It also recognises that government has a role in providing better incentives for training, guidance on wage expectations and direct measures to cut long-term unemployment. The risk is that Labour would more than undo all of these good things by impeding competition and pricing the unskilled out of work.

Sunday's regional elections will demonstrate the dissatisfaction with France's traditional parties of government, says **Ian Davidson**

A shock to the political system

If the opinion polls are to be believed, the vote in Sunday's regional elections will detonate a seismic rearrangement of the political landscape in France. At the very least, it will open a new and decisive phase in the presidency of Mr François Mitterrand. But if he and the French people are unlucky, it could even herald a return to the political instability which was supposed to have been banished with the establishment of the Fifth Republic 33 years ago.

The polling forecasts have been simple, striking and remarkably consistent. The ruling Socialist party is set to see its popular support fall by more than a third to less than 20 per cent; but the traditional conservative parties will also sink significantly, to about 33 per cent. By contrast, the extreme right-wing National Front and the ecologists will both surge ahead, to about 14-15 per cent each. Only one political group appears virtually untouched by this prospective earthquake: the Communist party, which should hang on to 8-10 per cent.

For many commentators, the breakthrough by the National Front is the most important development, as it would give France the largest ultra-right-wing party in western Europe. Others have highlighted the collapse in support for the ruling Socialist party, because it reinforces the vertiginous drop in the popularity of Prime Minister Edith Cresson since she was appointed 10 months ago, and calls into question the future legitimacy of a Socialist government.

Yet the real significance of these polling forecasts is the aspect which appears least dramatic: the small but unmistakable slump in support for the mainstream conservative parties, the centre-right UDF umbrella grouping, and the Gaullist RPR party. Whatever the meaning of the 15 per cent swing behind the National Front, it is dwarfed in significance by the collective rejection of all the traditional parties of government. It is easy to identify some of the obvious factors behind the Socialist collapse; but if the conservative opposition parties cannot gain extra votes from the Socialists' unpopularity, then the traditional political establishment is in a bad way.

The popular rejection of the Socialists and their conservative opponents may be overstated in Sunday's vote

The Socialists' main point of vulnerability is high and rising unemployment. From 1987 to 1990 it steadily declined, from a peak of 10.5 per cent to a low point of less than 9 per cent, but since then it has been creeping up and may hit 10 per cent again. The government's many job creation and training schemes have failed to stem the tide.

Second comes immigration. Stricter rules and tighter restraints on asylum have failed to prevent a continued small inflow of immigrants, mainly for family reunion. The real problem is the multiplier effect between the immigrant community from North Africa, unemployment, deprivation in the outer suburbs, and anxieties regarding law and order.

Third is political corruption. Public esteem for the Socialists dropped steeply with the revelation in 1988 of a nationwide system of party kickbacks. Former Prime Minister Michel Rocard tried to wipe the slate clean with tough new rules on party financing, but the move backfired when it was coupled with an amnesty for past offenders. This enraged a number of magistrates and, since then, investigations into the scandal have been repeatedly relaunched, in the glare of the television cameras, manifestly for political reasons.

This list of complaints against the Socialists explains why the conservatives are suffering too. They do not pretend to have any better solutions for unemployment or immigration; and they are only slightly less vulnerable to suspicions of corruption.

The popular rejection of the Socialists and their conservative opponents, though not in doubt, may however be overstated in Sunday's vote, because of the peculiarities of the event:

- The timing: this is tailor-made for a gratuitous protest vote since it falls between two general elections.
- The abstention rate: this is expected to be as high as 50 per cent and will penalise mainstream parties much more than protest groups.
- The voting rules: minority parties will gain maximum benefit from these elections, which are based on complete proportional representation.
- Finally, there is the intense publicity drawn by the National Front breakthrough, which has transformed these elections for 22 separate regional councils into something like a national opinion poll. Only half the voters say they will make their minds up on local grounds; the rest will therefore give vent to their feelings of discontent and disarray almost regardless of the local consequences.

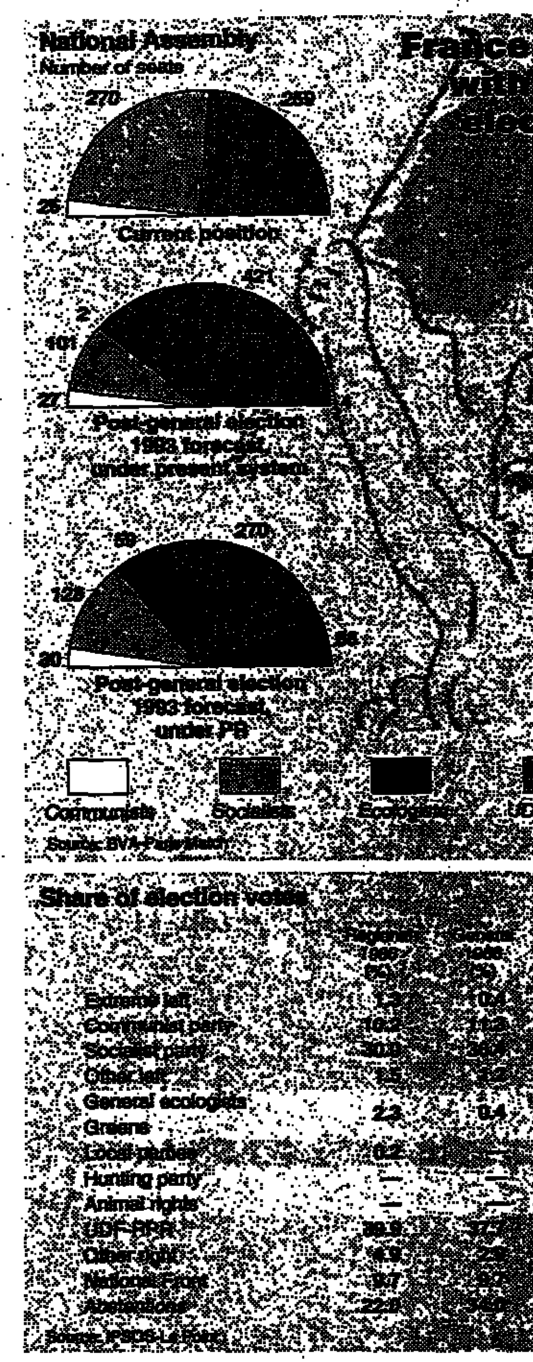
On all these grounds, the Socialists will seek to discount the significance of Sunday's vote. Indeed, Mrs Cresson is already downplaying the results in advance: "There will certainly be a drop in the Socialist electorate," she said this week, "but I do not think one can speak of a defeat." Even so, the voting figures will themselves influence the political debate.

The most immediate problem in the regions will be how the mainstream conservative parties react to a significant advance by the National Front. They have vowed to form no alliance with the FN; but in many cases they will be unable to form a working majority alone. No doubt some local parties will be unable to resist the temptation to go back on their pre-electoral vows, which would inevitably provoke a row between the Gaullists and the UDF at national level. This could undermine their attempts to form an electoral alliance in time for next year's general elections.

Yet the most critical new factor will be the level of support for the Socialist party. Locally, they may be able to take advantage of the FN breakthrough to gain minority control of one or two extra regions through alliances with the ecologists. But if the national vote for the Socialist party falls below 20 per cent, the credibility of Mrs Cresson's government will be damaged beyond repair.

France will then wait with bated breath to see what Mr Mitterrand does next; for no one doubts that the president is a politician of resource and ingenuity; that he will have several surprises up his sleeve; and that he is likely to spring some of them before the year is out.

Neither of his most obvious options looks satisfactory. Mrs Cresson has become a serious handicap; the name of Mr Jacques Delors, president of the European Commission, has been widely canvassed as a more popular alternative. Yet it is difficult to imagine that any new prime minister will save the Socialist party from a crushing defeat in the general elections.



Hence the idea of a shift in the voting rules before then. This has been repeatedly alluded to by President Mitterrand, and is now being echoed by some leading Socialists. But there is a clear difference of objective between him and them. Their ostensible argument is that parliament should be more representative of the diversity of public opinion; but they are only prepared for a small element of proportional representation because they want to keep the logic of majority voting which might one day return them to majority government. Mr Mitterrand's primary objective would be to prevent an overwhelming conservative victory, which would render miserable the last two years of his mandate; so his need would be for a large dose of PR.

If the government were to change the general electoral system from majority voting (as it is now, and was in 1988), to full-blooded proportional representation (as it was in the 1986 general elections, and as it will be in Sunday's regional elections), it might just succeed in limiting the conservative parties to 270 or 275 seats, a handful short of a parliamentary majority. But the cost would be high: 50-90 seats for the National Front, and 35-60 for the ecologists, while the Socialists would shrink to 110-140.

Such a change in the rules would be nothing new. Throughout their agitated parliamentary history, the French have repeatedly juggled with their voting rules, always for opportunistic reasons. The conservatives are already crying "Foul!", in rage that they may be robbed of victory; yet the change would be entirely legal, if the government could secure the necessary majority in parliament.

Apart from a change in the rules, President Mitterrand may be looking to two policy issues to restore his fortunes. The first will be the ratification of the Maastricht Treaty on European union, which should stir a national debate, and may inspire popular enthusiasm for his European achievement. The second will be a package of constitutional reforms next autumn, including a reduction in the presidential term of office (currently seven years renewable), a change supported by all parties.

Yet even if President Mitterrand should carry off both these reforms in triumph, he would still face a political and constitutional crisis.

The political crisis has been highlighted by the apparent exhaustion of the left-right debate between the Socialists and the conservatives. One of the reasons for the Socialists' unpopularity is that they have largely abandoned their socialist rhetoric, and are in effect managing the economy by conservative rules, in obedience to the imperatives of the European Community. Part of the case for electoral reform rests on the need to find an alternative dialectic to the old left-right antithesis.

The constitutional crisis is more serious. By accident or design, President Mitterrand has accumulated more power and influence than any predecessor apart from General de Gaulle. His most pressing need is for a parliamentary majority which is strong but respectful; but it is his personal accumulation of power which has weakened both the parliament in general and his government in particular. He and his government now appear chained together by their common unpopularity.

Public opinion is notoriously volatile, however, and time may change the government's standing. The economy will probably revive. The rise of the National Front may drive a wedge through the traditional conservative parties, and thus seriously damage their electoral chances. In combination, a series of small plus-factors could add up to a significant improvement in Socialist prospects in 1993.

But if their prospects do not improve, the price of preventing a conservative majority would seem to be a National Assembly which might be unable to muster a governing majority at all, except through a tacit alliance between the conservatives and the National Front. This cannot be the effect sought by Mr Mitterrand; as a conservative, a lawyer and a statesman with a strong sense of history, he will surely not seek to bring down the pillars of the temple.

So unless he were prepared to endure another bout of cohabitation with a conservative government, he might have no alternative but to resign. And yet resignation is a strategy which he just might be able to use to confound the conservatives. After successfully leading two national debates, on Europe and the reform of the constitution, he could declare that his task was done, and that he would immediately implement the new, shorter presidential term of office. The conservative parties would have no time to choose a single presidential candidate; Mr Jacques Delors would capture the presidency; and new general elections would produce a centre-left government.

This is not Mr Mitterrand's preferred strategy. His natural inclination is to play along, and to wait on events before making decisions. He is stubborn and obstinate. But he will need all his resource and ingenuity if he is to stay on top of the game.

OBSERVER

Flutters over Emu

■ Like the famous fog in the Channel, the election campaign has somewhat isolated Europe from current British politics.

In particular, the demands of the hustings leave Premier Major and colleagues little time to reflect on the implications of the flutters in German parliamentary opinion about the march towards European monetary union, given the go-ahead in Maastricht three months ago.

Even so, there are distinct signs of Schadenfreude in the British government that the idea of relinquishing monetary sovereignty has begun to provoke the same sort of questioning in Germany as it has done in Britain during the past few years.

At the European Community summit in December, the UK won a hard-fought right to decide afresh in 1996 whether it wanted to be part of Emu. Now, foreign secretary Douglas Hurd believes that the Germans will request the right for a similar form of reconsideration before progressing to the final stage of Emu.

He also believes that the target date for a decision on moving to a single currency may be delayed from the objective of 1996. Should economic difficulties in Germany place obstacles across the route to Emu, a future Conservative government would evidently not be that much displeased.

The same can surely be said – in spite of John Smith's pro-Emu rhetoric – of any future Labour administration.

Yellow peril

■ There were worried frowns recently at Thompson Clive Investments, a specialist venture capital investment trust, when a look through its stock exchange yellow book revealed that it was supposed to notify the market about "any change in the directorate". So it rushed in a letter about one Stephen Black who resigned last June.

Imagine the surprise of the company secretary yesterday when Observer told her that the announcement was running on Topic, the stock exchange information service. "They shouldn't have done that," said she - obviously still less than an expert on the ways of the market.

"We were only floated in September 1988, and we're still on the learning curve," explains director Charles Fitzherbert.

Hardly an encouraging message for his shareholders.

Hong Kong exit

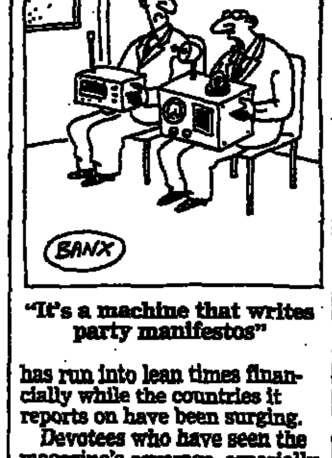
■ The Americans have finally conquered another Far Eastern outpost. Five years after buying control of the Far Eastern Economic Review, Dow Jones has put its own man in as editor of the respected Hong Kong-based weekly magazine.

Out goes Philip Bowring, prickly in temperament but respected throughout Asia for his knowledge, and feared for his acerbic, iconoclastic coverage of economies and companies. (He was once the FT's Hong Kong correspondent.) In comes L Gordon Crovitz, a senior member of the Wall Street Journal's editorial board, but a bit thin on Asian experience.

Under Bowring and his predecessor, the long-serving Derek Davies, the Review has remained mercifully free of the right-wing dogma which might be expected of a Dow Jones publication.

But there has been increasing friction between the American owners' management style and the quirky British traditions of the magazine. This may be because the Review has run into lean times financially while the countries it reports on have been surging.

Devotees who have seen the magazine's coverage, especially of business, becoming more incisive are fearful of possible changes. But if the move leads to shorter and better subbed articles, it will be an improvement.



"It's a machine that writes party manifestos"

Souvenir

■ Any takers for a used Sputnik satellite, complete with re-entry scorch-marks?

The said curio landed in Paris recently and its businessman owner has put it up for sale by auction on April 23. Maîtres Poulain and Le Fur, partners of the auction house Drouot, who will be handling the sale, claim this will be the first time "a space object" has been auctioned.

It might seem a bit expensive, with a starting price of FFr 400,000 (£41,237). However, it is quite big – at 2,300 kilos weight and 2.3 metres diameter – and has been used only once. The Photon-type module, built by the one-time Soviet Progress factory, spent 14 days in orbit in April 1985, doing micro-gravity experiments. It could make quite an impact in the company lobby. A drinks-dispenser perhaps?

Present owner Paul Aouizerate bought it legally from the Soviet Union last October and says he is selling to attract publicity for his company, Flava Cosmos. As the auctioneers point out: "No-one can tell the price of a dream."

Breathing easy

■ How refreshing to find a chief executive bowing out in the peak of fitness and not hanging on to collect his old age pension. Peter Dodd, who has spent over 20 years at the helm of drugs wholesaler Unichem and navigated two MMC investigations, always said he would retire at 55. And he has stuck to his word.

"As a chief executive you sacrifice most of your outside interests," he said. "If you come across a boss with a decent golf handicap, sell the shares." Perhaps he should also include his own passion for scuba-diving in a list of corporate warning signals.

After all, he was submerged in the Caribbean when the MMC cleared his company and arch rival Lloyds Chemists to relaunch bids for Macarthy. Having retired from that battle, Dodd now plans to spend more of his time under water.

Speechless

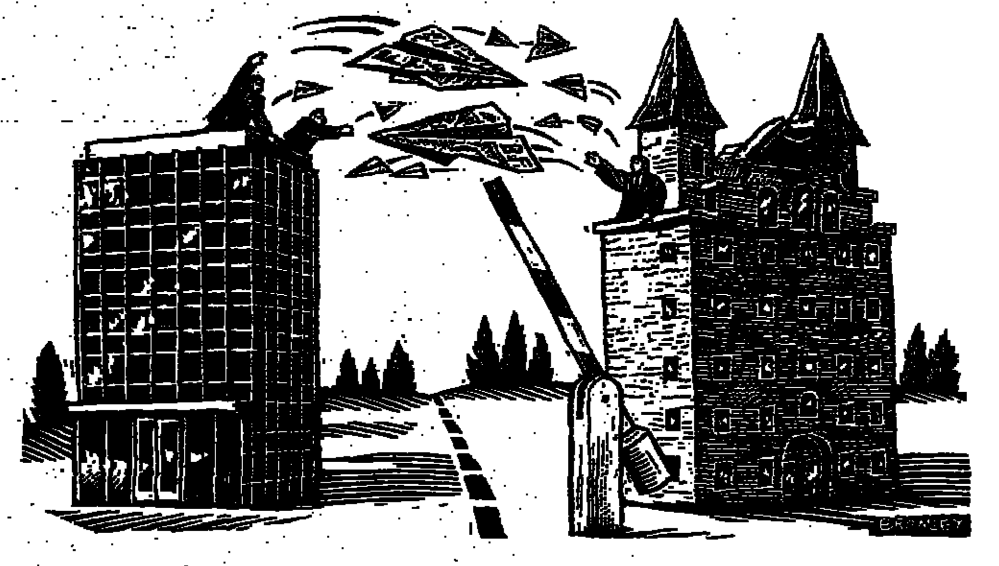
■ An unexpected visitor turns up in heaven. St Peter asks for some identification. The new arrival is a little taken aback, and insists that he is who he says he is. St Peter is still not sure.

Suddenly, the new arrival spots someone he knows. "I'm sure that's Mrs Thatcher over there – she'll be able to vouch-safe for me."

Non-plussed, St Peter replies: "That's not Mrs Thatcher, that's God."

Cash without tears, across EC frontiers

David Barchard and **Andrew Hill** on improving the system of European cross-border money transfers



Sending money across the European Community is an experience calculated to remind consumers that they still live in a patchwork of national economies and banking systems rather than a truly integrated market.

While cash machines and credit cards have made it possible to obtain cash in seconds virtually anywhere in the EC, sending money is a different matter. Most methods are liable to take days and are only available at a charge of anything from £5 to £30.

The contrast with the cheap, rapid, and reliable money transmission services which the domestic banking systems of most European countries now offer consumers is glaring.

In the summer of 1990, the European Commission challenged the banks and published a preliminary discussion document about ways of providing cheaper and more efficient cross-border money transfers. A refined version of that document should be published on Wednesday, the fruit of several months' research by two working groups.

The Commission stresses that this is not a "bank-bashing exercise". Indeed, directors of retail banks and national central banks are well represented on the working groups. But officials expect resistance from the banking community, which they may decide to combat with a more forceful approach, perhaps by imposing legislation and investigating possible excessive charges.

The impetus for improving the system comes from the imminent arrival of the single market. "There's not much point in telling people they can sell and buy across borders if it takes a week to get their money," says one Brussels official.

The Commission estimates that some 200m separate cross-border transactions of less than Ecu2,500 (£1,777) are made annually, a figure bound to increase when EC trade barriers come down on January 1 1993. The fee for each payment varies between Ecu7 and Ecu40 (£28.44) depending on the urgency of the transfer, and whether the sender wants to pay the receiving bank's fees.

According to the Commission's conservative estimates, that means it costs the client about 20 times more to make a payment across EC borders than it does to make a similar domestic transfer. But reliable statistics on volume, costs and fees are hard to obtain. To an extent, the Commission has had to fall back on anecdotal evidence.

"We hear a sufficient number of stories about serious people taking thousands of pounds or francs in notes across frontiers [to avoid transfer fees] to suggest there is a certain volume of demand which is not being fulfilled," says one official.

According to the Commission, many small businesses, both buyers and sellers, abandon attempts to trade across borders rather than have their margins eroded by banking fees. The smaller the transaction, the worse the problem: among the most vociferous critics of the current situation are specialist publishers, used to sending one or two books to other EC clients who incur *transfer fees out of proportion* to their small bills.

The banks argue that harmonisation of systems should wait until the EC introduces a single currency towards the end of the decade, eliminating the need for the costly clearing of foreign currency. But Commission officials are sceptical about this argument. They point out that banks in Belgium and Luxembourg still charge each others' clients as though they are making cross-border payments, even though the two countries have enjoyed the benefits of currency union for some 70 years. In any case, they believe currency exchange and telephone charges make up a much smaller proportion of the fee to the customer than the administrative commission charged by the sender's bank and the correspondent branch.

The Commission's ideal solution would be to link the automated clearing houses (ACH) – the inter-bank cheque-processing centres – in each EC country, and turn them into a single system. But there are obstacles. The cost is high, the technological difficulties daunting and inter-bank clearing arrangements vary.

Mr Bert Morris, chief executive, support services, at National Westminster and chairman of BACS, the British *inter-bank automated bulk* clearing system, says: "You have to bear in mind that not averyone in Europe wants ACH linkages; the French and Germans in particular are wary of this apprach. We may well end up with a basket of measures to meet different needs." If the banks cannot provide a system of easy cross-border transfers, several other financial institutions are eager to do so. Both Visa International, which operates a wide variety of clearing and payment systems as well as its credit cards, and American Express, have put forward proposals to the Commission.

"We are talking about a cross-border money transfer market which is probably around £25bn a year. It is a lot larger than the European travellers' cheque market which is around £20bn," says Mr Patrick Bowden, assistant general manager at Visa's European headquarters in London.

Visa envisages building a network with banks from France, Belgium, Spain, Italy, the UK and Scandinavia which would enable sums of money to be sent through the Visa system, with price and delivery times guaranteed in advance.

The principal American Express offering appears to be the Moneygram. This system telegrams money across borders *within minutes, but it is* fairly expensive – a money order costs a minimum of $35. Distribution outlets could be broadened to include, for example, post offices.

One snag for both Visa and American Express is that the large banks in some European countries, particularly Germany, view them as American interlopers and are deeply suspicious of them.

Not that the banks are unaware of the cross-border payment market. Some already offer limited services aimed at customers who need to make or receive regular payments across frontiers: pensioners or migrant workers.

Other banks have combined into groups to offer their customers branch services in other EC countries. One such system is IBOS, established by Royal Bank of Scotland, Banco Santander in Spain, Banco de Comercio y Industria of Portugal and Credit & Commerce de France. Another has been set up by Britain's Lloyds Bank working with Credit Agricole in France, Banco Ambrosiano Veneto in Italy, Bayerische Vereinsbank in Germany, Rabobank Nederland in the Netherlands, and Banco Bilbao Vizcaya in Spain.

The Commission has welcomed such initiatives, but it is convinced of the need for a basic "safety net" standard, which all customers could rely on without having to bank with a particular group or own a certain credit card. The Commission's document will make recommendations, including:

- A "consumer's charter" to ensure that consumers know their rights. When making a cross-border payment the client should be told how it is done, how much it costs, and how long it will take. In addition, the sender should pay all the fees, including those of the correspondent bank;
- A right of redress through a national banking regulator if there are problems;
- *Improvement of cross-border* links between national domestic clearing systems. Some southern member states may need grants to improve their domestic payment systems – perhaps from EC funds set aside for improving trans-European networks;
- A minimum threshold – probably Ecu10,000 per transaction – below which national authorities will be unable to insist on cross-border transfers being notified to central banks, a practice which adds to costs in countries such as Portugal and Greece.

According to one Brussels official, the carrots for improving the system are the commercial advantage of being first into the growing market, *and the promise of central* funding. The stick is the threat of legislation.

If legislation proves necessary, the Commission – wary of interfering in commercial policy decisions – will not force the banks to build an expensive infrastructure. Instead, Sir Leon Brittan, the commissioner responsible for competition and financial services, would probably lay down certain firm legislative criteria, applying the same consumer standards to cross-border payments as to domestic banking. So far, Brussels has been generally impressed by the banks' response to its gentle pressure. But if the same groups fail to improve their performance, the indications are that bank-bashing will begin in earnest.

Joe Rogaly

Major's best bet

The Conservatives have not had a good week. There is one sure-fire argument in favour of re-electing them, and so far they have failed to get it across. Sure-fire? Sure. What would win the election for Mr John Major would be a general belief that Labour cannot be trusted – not on taxation, not with management of the market economy, and not on the ground of general competence.

We have no need to spend long hours discussing whether this proposition is sound. To do so would be to engage in what Mr Christopher Patten, the Conservative party chairman, refers to when pursued with awkward questions as "Socratic discourse". Soundness is not the issue. What matters is what people perceive. Do floating voters in marginal constituencies think that Labour can be trusted, or do they not?

The story of the first week of this election is that Labour has – so far successfully – positioned itself to be given the benefit of the doubt. It may have done so unfairly, or on specious grounds, but that is beside the point. Judgments of the nature of its methods will vary according to political taste. The unpalatable fact with which the Tories have to wrestle is that many uncommitted voters remain to be persuaded that Mr Neil Kinnock is a red-blooded wild and woolly socialist under that smart dark-blue suit.

It may turn out to be difficult to win great numbers of non-Conservatives over to such a view. Even ministers fighting with the desperation born of fear of the loss of office will find it an uphill struggle. For the Tories have only three weeks in which to sell their inherently negative message. The opposition has spent three years burying its unmentionable past – or nine if you date the beginning of the turnaround from 1983, as some do. The precise year is not important. Mr Kinnock never had a chance of winning while memories of the abysmal performance of the Labour governments of 1974-79 were *fresh. These* unpalatable recollections are now stale; younger voters regard them as history.

Labour has not merely waited for time and the leftist ascendancy over its affairs to pass. It has used its years with some skill. It has concentrated on making itself look unfrightening to voters. This has been its principal objective, to the exclusion of almost everything else. Policies the electorate found repellent have been abandoned. The language of one revisionist programme after another has been refined. The latest political broadcast conveys patriotism and conservative virtue. A formerly angry party whose historic roots are buried deep in the old unionised working class has dressed itself in the raiment of the middle classes. Mr Michael Foot's duffle coat has been hung up; in its place is the dress-code of senior management.

Mr Patten and his colleagues have striven to tear

Labour has positioned itself to be given the benefit of the doubt

all this away, to reveal what they honestly believe to be the clumsy, grasping, egalitarian, tax-grabbing monster beneath. They made the attempt again yesterday morning, with an attack on the cunning budget presented by Mr John Smith on Monday. This, it was argued by the prime minister, the chancellor and the employment secretary, would increase taxation for the middle classes, and add to unemployment. That was not all. It was also incompetent. "This is not just a mock budget," said Mr Major, speaking election-ese, "it's a mockery of a budget."

I asked Mr Patten whether this line of attack would continue. The reply was a robust affirmative. The manifesto issued by Labour on Wednesday would be fully costed. The message would be driven home. Yesterday was not, however the day for it. The unemployment figures and the news of the marital difficulties of the Duchess of York *stole the headlines. Thus did* fate conspire both to help the government by reducing the visibility of the unemployment statistics and simultaneously to hinder it by frustrating its assault on Labour.

Yet concentrating fire on Mr Smith's tax plans, and by extension Labour's perceived untrustworthiness, is not an entirely hopeless endeavour. Monday's alternative budget redistributes large sums of money from high earners to everyone else; those high earners include the very London-based scribes and broadcasters whose task it is to disseminate what the participants in the election have to say. Thus there should be no difficulty about delivering the Conservative message, which is that more people than Labour thinks are turned away by the thought of a sudden 9 per cent impost on all earnings above £22,000 a year, let alone a further 10 per cent not all that much higher up the scale.

There is therefore sense in the Patten strategy of working on potential Tory voters' natural mistrust of Labour – a mistrust that, in spite of Mr Kinnock's efforts, has been suppressed, not obliterated. If the Tories' knocking copy gathers strength from repetition, Mr Smith's achievement in selling his budget on Monday may turn out to be short-lived. In those circumstances the trend in the opinion polls, which has favoured Labour this week, would be reversed. Mr Major's mistake in getting himself into a position in which he was obliged to call an election in mid-recession would quickly be forgotten.

Another, less happy, possibility exists. Labour's calculations of the number of gainers from its proto-budget may be accepted by most voters. Then every Tory mention of Labour's plans will be an advertisement for Labour. That happened with the National Health Service. The government's NHS policy is right, but it will never be believed and therefore it is aways tactically wrong to mention it. Taxation is a Tory issue, but on the polling evidence so far, exploiting it has not worked to the government's advantage. It had better start doing so soon, if *Mr Major is to be saved.*

LETTERS

UK and US suffer same problems but politicians not addressing them

From Prof Jeremy J Siegel.

Sir, In your editorial, "An election that matters" (March 10), you state that neither the Tories nor Labour is talking about Britain's most trenchant problems, specifically "... a disastrous secondary education system; local government, which has lost its independent fiscal base and its sense of purpose; and a labour market, battered by legal change and economic boom and bust, still failing to train enough skilled workers."

For a moment I was sure I was reading about the US! It is striking that the nub of our two countries' challenges could be so similar, yet our presidential candidates avoid discussing these very same issues. Certainly one could assert that Britain is now suffering the same plight as the US because Margaret Thatcher, an ideological soul mate to Ronald Reagan, allowed these problems to fester during her 12-year reign.

But I believe the source of our common problems runs much deeper. The easy transference of technology and production to the populated "third world" countries means that the return to manual ("blue collar") labour is declining and will inevitably fall further. The 30 years which followed the Second World War brought unprecedentedly high wages to US labour, but that was because the US was the only working economy after the war. Now that the rest of the world, teeming with unskilled labour, is eager to join in this prosperity, unskilled wages will decline

In the US, low-skilled government workers, who constitute the only growing union movement, are trying to maintain their own wages despite the decline in those of their fellow workers in the private sector. The cities are caught in a squeeze trying to cope simultaneously with the demands of unions and the lower classes who are increasingly alienated and unprepared for the changing demands of the workplace. *Public education shoulders* much blame because it lacks the structure to teach new skills and offer a fresh vision of the future. In the US too many students are expected to go to college and acquire a working permit called a "diploma", often emerging untrained for the jobs available in areas of expanding employment, such as computers, health care and skilled trades.

The changing demands on the workforce will eventually affect all other industrialised nations. Continental Europe's economy appears ready to follow Britain's and the US's into a recession. Many of their cities show some of the same deterioration as those in America, as swarms of immigrants, attempting to take advantage of western Europe's higher living standards, are not being integrated into society. Even Japan, which deals with a totally homogeneous population, is battered by scandal in government, a real estate collapse that dwarfs our own, and the loss of manufacturing jobs to the new Asian markets.

The responses to these challenges are not easy, but no pol*itician is talking about them.* The world would be infinitely richer if we allowed free trade among nations and heavily supported and/or retrained those who lost their jobs as a result. Furthermore, the educational system must be revamped so that job preparation, as well as general education, becomes a primary goal. The future can be bright for America and the rest of the world if the common nature of many of our problems is confronted directly, rather than lost in meaningless rhetoric of "middle class tax cuts", "capital gains", or "Buy American". Yes, this election matters – but not about matters currently debated by the world's politicians.

Jeremy J Siegel,
professor of finance,
Wharton School of the University of Pennsylvania,
Philadelphia PA 19104-630, US

Political parties wasting money with poster advertising approach

From Mr Chris King.

Sir, It is evident from reading David Owen's article (Management: Marketing and Advertising, March 12) on the scramble for poster sites by the political parties that much time, effort and money goes into this operation. What a pity most of it is totally wasted.

In our own independent *research, most political* poster advertising misses the mark, with only 8 per cent of the audience recalling specific executions. This is not surprising as much of this advertising breaks the rules of effective communication.

Let us use Castlemaine XXXX as an example, as this brand is featured in Owen's article. First, if a selling message from Castlemaine basically said that Fosters lager tasted like XXXX, it would not only fall foul of the regulatory bodies but would carry no persuasive selling power whatsoever. Yet this is the basic tenet of all the political ads from Labour and Tory alike.

Second, if the poster had the word "Fosters" in 3 feet high letters and "Castlemaine" in 1 foot letters, it would be no surprise to find most people thinking the ad is for Fosters not Castlemaine. Look again at political ads – everyone's so keen to bash the opposition, they've forgotten the basics of branded communication.

The net effect of all this is further to exacerbate a cynical electorate. If parties are so keen to spend millions of pounds on ineffective advertising, how will they spend the cash in the nation's coffers?

Chris King,
board account director,
Reay Keating Hamer,
65-66 Frith Street,
London W1V 5TA

Unfair gastronomic comparison

From Mr S P Harrison.

Sir, Your Observer column ("Indigestion", March 3) is unfair to say that 3-star Michelin restaurants cost "an arm and a leg". They are not unreasonably priced relative to two, one or even some unstarred restaurants and certainly not compared with many London restaurants.

For the French, eating out is not a luxury. An evening at the opera is now more expensive. Sometimes the wine is overpriced but rarely the food.

P Harrison,
Residence Les Iris,
1115 Vullierens,
Switzerland

Fax service

LETTERS may be faxed on 071-873 5938. *They should be clearly typed and not hand-written.* Please set fax machine for fine resolution.

Freedom of choice is important element of UK pension system

From Mr John Craddock.

Sir, As providers of both final salary and money purchase schemes, including personal pensions, my company has no need to take sides over their rival merits. Our views are therefore likely to be more balanced than Philip Chappell's (Personal View, March 13).

Each method has considerable merits and can deliver substantial pensions. Equally, each has shortcomings when compared with the other. With money purchase, for example, the pension you retire on cannot be finally known until the day you retire – a disconcerting thought if you have fastened on a particular proportion of final pay as the pension you want. Final salary safely delivers certainty, assuming no Maxwell rerun, but the uncertainty of money purchase might mean a better than expected pension, not worse.

Final pay can be criticised for its cross-subsidies. But these do not work uniformly from leavers to stayers, young to old, or low paid to high paid. They can, and frequently do, operate by means of enhanced benefits, for example, for ordinary employees who are forced into retirement by ill-health or redundancy. A strict money purchase approach could not manage such treatment.

The important element in today's pension system is the genuine freedom of choice for employers and their employees to exercise over which pensions route to follow.

John Craddock,
managing director,
(life and pensions),
Legal & General,
Legal & General House,
Kingswood, Tadworth,
Surrey KT20 6EU

FINANCIAL TIMES
Friday March 20 1992

Democratic candidate withdraws because of defeats in primaries and shortage of funds

Tsongas backs out of presidential race

By Jurek Martin, US Editor, in Washington

MR PAUL TSONGAS yesterday ended his attempt to become the US Democratic party's presidential nominee.

The withdrawal of the former senator from Massachusetts means that both the Democratic and Republican fields have been reduced to a clear frontrunner and a dissident outsider, with no other contender apparently in sight.

Mr Tsongas, the first in either party formally to declare a candidacy nearly a year ago, gave up because he was beaten in recent primary contests, mostly by Governor Bill Clinton of Arkansas, and because political money is not attracted to losers. Defeats in Michigan and Illinois on Tuesday were the writing on the wall and Mr Tsongas's dog-tired interviews after those primaries showed he knew it.

He planned an afternoon announcement in Boston but his staff said he would not immediately endorse either of the remaining candidates, Mr Clinton or Mr Jerry Brown, the former governor of California.

Logically, Mr Clinton should be the principal beneficiary of Mr Tsongas's withdrawal, because the policy gap between them is much narrower than that between Mr Tsongas and Mr Brown. This should show up in next week's Connecticut primary, where Mr Tsongas, from a neighbouring state, might have done well.

However, Mr Tsongas has repeatedly said he would not be Mr Clinton's running mate because they disagree profoundly on key aspects of economic policy, particularly Mr Clinton's advocacy of a middle-class tax cut. Recent exchanges between the two have also been bitter. There may not, therefore, be an instant rush of support to Mr Clinton.

Mr Tsongas leaves the contest with honour, having made some cogent points, especially on economic policy. He also claims that he showed the way to other Democrats. Ignoring the obvious handicap of being another Greek from Massachusetts, like 1988 presidential contender Mr Michael Dukakis, he took on the president when Mr Bush, in the afterglow of the Gulf war, appeared unassailable. Now Mr Bush's rating is more like 40 per cent and his re-election far from assured.

Mr Tsongas stood on the right of the party. Although a liberal on social issues, he did not promise tax cuts for the individual, but advocated tax breaks for investment in manufacturing, eschewed protectionism, and generally called for sacrifices in the cause of economic revitalisation.

His appeal, demonstrated not only in his native New England but in Maryland and Delaware, was mostly to the more affluent Democrat, precisely the sort of constituency that in the last three elections has deserted the party.

This proved more effective than the conventionally rooted campaigns of Senators Tom Harkin of Iowa and Bob Kerrey of Nebraska – who both sought the backing of organised labour – but was no match for Mr Clinton's broad-based approach and infinitely superior organisation.

De Klerk set to quicken pace of political reform

By Michael Holman in Johannesburg

PRESIDENT F.W. de Klerk indicated yesterday that he would quicken the pace of constitutional reform in South Africa.

Mr de Klerk, buoyed by the white electorate's overwhelming endorsement of negotiations with black political leaders, said "a sense of urgency" and "dynamic negotiation" was needed to end any uncertainty about the country's political future.

Echoing the need for rapid progress, Mr Nelson Mandela, the African National Congress president, urged Mr de Klerk to act quickly.

Mr Mandela told a press conference in Cape Town: "Our demand is that the interim government must be introduced this year, and we think that is possible."

"We sincerely hope, now that Mr de Klerk has got an overwhelming endorsement for his role in the negotiations, that he will now be able to move with speed."

Mr de Klerk, who was speaking in Cape Town after a meeting with Mr Pierre Trudeau, the former Canadian prime minister, declined to put a timetable on the reform process.

"The basis of negotiation is consensus so no one can say how long it will take," said Mr de Klerk. But he made clear that Tuesday's referendum, in which 69 per cent of the white electorate voted for constitutional talks, had given impetus to the negotiations.

Officials from the government and the ANC believe that an interim government could be in place by the end of the year.

The combination of the size of the "yes" vote in the referendum and the confidence created by the success of the national side in the World Cup cricket tournament in Australia, has left most of white South Africa feeling in better heart than it has for years.

The response from the business community, fearful that sanctions would be reimposed in the event on a "no" vote, has bordered on the euphoric. "Thank you for saying 'yes'," read one company-sponsored full-page advertisement in the country's leading daily newspaper.

A sizeable exception to the rejoicing is represented by the parliamentary caucus of the rightwing Conservative party, for whom the referendum was a disaster.

The caucus met yesterday to consider its strategy in the face of Tuesday's rebuff.

Many observers expect a split in the party, which persuaded 31 per cent of whites to oppose reform – well below their expectations.

Some Conservative MPs believe the party should now participate in constitutional talks, which so far it has boycotted. Mr Andries Treurnicht, the party leader, gave no clue yesterday of his plans, but warned that Mr de Klerk "will be the victim of his own reform."

"Mr de Klerk is negotiating his own government out of power," said Mr Treurnicht.

Nelson Mandela greets children on his arrival in Cape Town yesterday at the start of a four day tour of the area

US group to quit silicone implant business

By Alan Friedman in New York

DOW CORNING, the world's largest maker of silicone breast implants, yesterday announced plans to withdraw from the business, which has been plagued by political controversy, lawsuits and congressional investigations.

The Michigan-based company, a 50-50 joint venture between Dow Chemical and Corning, also said it would set up a $10m fund for research and would offer up to $1,200 to women wishing to have the implants surgically removed.

In abandoning the market, Dow Corning follows two other companies that have done the same. Bristol-Myers Squibb stopped making a different type of implant last April and Bioplasty withdrew last week. Two small US companies, Mentor and McGhan Medical, remain in the market.

The US Food and Drug Administration (FDA) placed a moratorium on silicone implant sales in January after questions were raised about the product's safety. Internal Dow Corning memos were released that are alleged to show negligence by the company, a charge it denies.

An FDA ruling next month may place tight restrictions on the future sale of the implants, some 80 per cent of which are used by women desiring cosmetic surgery.

Dow Corning's decision none the less seems likely to spell the effective phasing out of the US implant industry and could yet lead to some of the largest product liability claims in recent history.

The company estimated that about 750,000 women around the world have Dow Corning implants, which were first introduced in 1962. The number of women in the US is around 450,000.

Depending upon how many women wish to take advantage of Dow Corning's offer of $1,200 for surgical removal, the company could face costs of $900m or more. But Dow Corning stressed that it would only reimburse women who could not otherwise afford the surgery and whose doctors stated the procedure was medically needed. It has not decided how it will help women outside the US pay for the removal of unwanted implants.

Dow Corning took a $25m charge in the fourth quarter of 1991 to cover legal and other costs related to the implant controversy. It disclosed last week that it has $250m of insurance to cover potential legal costs. But analysts say that the hundreds of lawsuits outstanding could create a potential liability of more than $1bn – quite apart from the costs related to surgical removal.

Mr Keith McKennon, the Dow Corning chairman who was named last month in a shake-up caused by the growing public furore in the US, insisted yesterday the decision for abandoning production of the implants was not related to the issue of safety, but rather reflected "the existing condition of the marketplace."

Dow Corning sought to play down the financial impact of its decision, saying that implants contribute less than 1 per cent of its annual $2bn revenues.

THE LEX COLUMN

Working assumptions for the polls

The only consolation for the government in yesterday's unemployment figures is that they could have been worse. A monthly rise of 42,000 is broadly in line with the average for the previous three months, so at least the trend is not accelerating. That said, the Tories will not have been helped in marginal constituencies by the regional breakdown. The south-east and the Midlands accounted for nearly 90 per cent of the total monthly increase.

A more general worry is the way in which average earnings continue to grow by more than 7 per cent despite the decline in inflation and continuing announcements of large-scale lay-offs. This may reflect the continuing impact of high pay awards last spring, in which case one could expect the figure to drop fairly quickly. It may also be that redundancies have been concentrated among lower-paid workers, pushing up the average pay of those that remain. That might in turn explain why so little of what ought to be a sharp increase in real wages is finding its way into extra spending in the high street.

Even if the statistics overstate the underlying trend in wage growth, the high reported rate could be especially awkward for Labour if it wins the election. It leaves less grounds for resisting catch-up demands from public-sector employees. That would put a further strain on Mr John Smith's budget, whose £28bn borrowing requirement for 1992-93 already looks less than convincing.

GRE

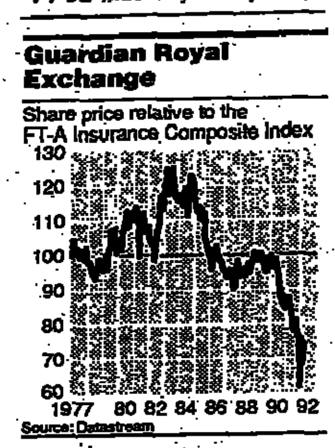
Although the market clings to the idea of a takeover bid for Guardian Royal Exchange, investors would be silly to get carried away. The lack of much domestic mortgage guarantee exposure, to be sure, makes the company a more attractive target than Royal. But it is still hard to imagine an aggressive suitor stepping out from the ranks of wounded UK composite and preoccupied continental insurers.

That leaves the question of whether yesterday's 12 per cent jump in GRE's shares was justified by evidence from last year's results alone. The answer is quite probably yes. The apparent determination to make rate rises stick and polish underwriting skills smacks of a company prepared to sacrifice market share. Pre-tax losses may have increased by one third in 1991 to a mind-shuddering £210m; but, thanks to a £30m tax credit and the 40 per cent dividend cut, the year end solvency ratio of 43 per cent is enough to keep GRE out of the casualty wards.

FT-SE Index: 2,467.6 (+2.9)

Guardian Royal Exchange

Share price relative to the FT-A Insurance Composite Index



Source: Datastream

Given the nature of general insurance risks, the effort to demonstrate an underlying improvement in second-half UK underwriting results is less convincing. At best, things look to be going from worse to bad. Doubts will persist about the quality of GRE, but a 15 per cent discount to net assets and 7.3 per cent historic yield provide fair value in the short term.

Cable & Wireless

Judging by yesterday's 5 per cent fall in Cable & Wireless shares, the market thinks the telecoms group has lost the sureness of touch demanded of highly rated companies. The irony is that the restructurings announced yesterday for its business service and personal communications network (PCN) divisions appear to make sound commercial sense, even though the accompanying £50m exceptional provision suggests this year's earnings per share will be slightly lower than the 31p reached last year.

Under its chairman, Lord Young, the group has been steadily moving away from the idea that it is a global provider of premium services, partly because competition has forced it to reduce the scope of its ambitions. Arguably, C&W needs a stronger and narrower base from which to compete in the crowded business sector, while yesterday's joint venture with US West in the nascent PCN market both removes a competitor and creates a more powerful threat to cellular operators like Vodafone.

Perhaps understandably, the market was more inclined to the view that this latter arrangement has scotched the chance of a deal between Mercury and AT&T. It may be that C&W is paying the price for refining its strategy in public, a notion raised first by the on-off talks with AT&T and more recently by the abrupt departure of a senior manager. On balance, investors are probably right to show scepticism until C&W proves it has recovered its poise.

Guinness

Yesterday's fall of more than 2 per cent in Guinness shares suggests that the equity market has still not fully adapted to low inflation. On its own admission, Guinness will find it harder to raise prices in a non-inflationary environment. In nominal terms its profits, which have more than doubled since 1987, will grow more slowly even if they still show a real increase. That might necessitate some adjustment to the rating, especially relative to depressed manufacturing companies with recovery potential. But in its haste to take the point on board, the market appears to have overdone the gloom.

Admittedly, acquisitions in beer and other spirits will gradually reduce the share of high-margin Scotch in the overall business. Margins on spirits rose an underlying 2 percentage points to 33 per cent last year. They cannot continue to widen indefinitely, but there is still room for improvement as consumers move up-market after the recession. Nor does lower inflation mean volume growth has stopped dead in its tracks. There seems no reason why earnings should not advance by, say, 10 per cent in 1992 from last year's 33.6p. The forward multiple of around 15 is not demanding.

Waste Management

The pathfinder prospectus for the flotation of Waste Management International confirms that its US parent has posed a teaser for UK investors. Assuming WMI increases its earnings per share by a third this year, its shares will be on a prospective multiple of 23 if priced in the middle of the range suggested by the group's advisers, or 26 at the top of the range. That compares with historic multiples of 19 for Caird after yesterday's results, and 18 for Shanks & McEwan. It is just possible that both valuations are right. The flotation could prove a lively affair all the same.

Japan cuts limit on cars for US

Continued from Page 1

fiscal 1991 exports, or to reduce it below that. We've known none of them can be satisfying enough for everybody concerned."

Mr Watanabe acknowledged that the ceiling may have to be abandoned depending on the outcome of the General Agreement on Tariffs and Trade negotiations, where efforts are being made to ban all "grey area" trade controls.

But he argued that the voluntary trade restraint would promote free trade by giving breathing space to allow a recovery at General Motors, Ford, and Chrysler in the US.

The Japanese car companies yesterday greeted the new ceiling with resignation, saying it was unavoidable in the current political climate.

Tokyo announces decline in output

Continued from Page 1

However, bankers and industrialists, who for weeks have been calling for further interest rate cuts, will seize on yesterday's figures.

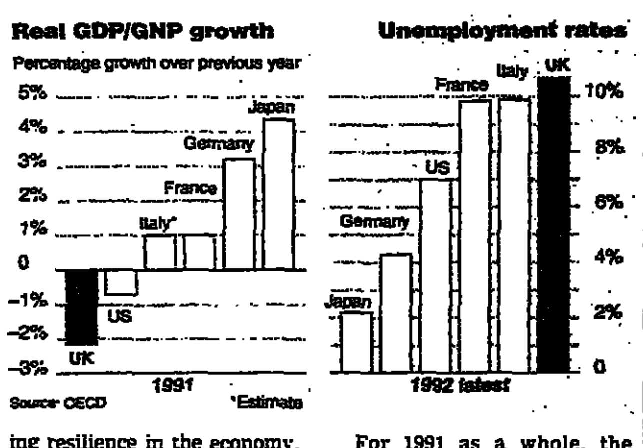
Mr Yoh Kurosawa, president of the Industrial Bank of Japan, said that although businessmen's gloom was exaggerated, Japan needed an interest rate cut to boost confidence and revive the stock market. He added, however: "This is not a structural recession but a cyclical one."

According to the EPA, consumption was weak, held back by lower year-end bonuses and a decline in confidence. It grew just 0.4 per cent.

Private investment (excluding housing) declined but only by 2.5 per cent – less than expected and a sign of continuing resilience in the economy.

On a year-on-year basis, the economy grew 3.2 per cent, including a 2 per cent rise in domestic demand and a 1.2 per cent rise in net exports.

For 1991 as a whole, the economy grew by a robust 4.5 per cent, due to strong growth early in the year. Domestic demand rose 3 per cent and net exports by 1.4 per cent.



UK jobless figures jolt Conservatives

Continued from Page 1

unemployment has increased by 184 per cent over the past two years. In Greater London, it now stands at 10 per cent, above the national average, having more than doubled since January 1990.

To attempt to regain the political initiative, Mr John Major, the prime minister, last night signalled the start of a fierce Conservative onslaught on Labour's tax plans. He also joined in his party's attacks on Mr Kinnock, arguing that the "question of leadership" was central to the election.

Mr Major began what his cabinet colleagues said marked the beginning of an unrelenting effort to "shred" the shadow budget announced earlier this week by Mr Smith. Mr Major said Labour planned "the biggest increase in personal tax since the war".

Mr Chris Patten, the Conservative party chairman, signalled that his party would play the "tax card" with a ferocity which would stop Labour in its tracks in the last three weeks of the campaign.

That strategy was reflected in the sharpness of Mr Major's language. Referring to Labour as the party of "envy" and "spite".

Of its plans to abolish the salary ceiling on National Insurance Contributions and increase the top rate of income tax from 40 per cent to 50 per cent, he said : "No one at any stage in the history of Britain has launched such an onslaught on the security of hard-working middle income families".

Yesterday's economic news was not as bad as "black Thursday" a month ago, when news of the big jump in January unemployment coincided with a sharp rise in house repossessions and a significant fall in manufacturing investment.

But other official figures released yesterday underlined the severity of the British recession.

- The Central Statistical Office reported that output by the service sector, which accounts for three fifths of the economy and includes retailing, transport and government services such as education, fell by a record 1.6 per cent last year.
- Investment by industrial and commercial companies, excluding electricity, fell 16 per cent last year – the highest figure since records began in 1963.
- Gross trading profits by industrial and commercial companies, leaving aside oil and electricity, fell more sharply in 1991 than at any time in the previous 17 years.

The FT Election Share Index of politically sensitive shares yesterday again swung towards stocks that might gain from a Labour victory.

The "Labour gainers" section of the index rose strongly, to 99.6, less than half a percentage point below the level at which they started the campaign.

"Conservative gainers" dropped again, to 95.5, some 4½ percentage points below their announcement-day level.

WORLDWIDE WEATHER

		°C	°F
Ajaccio	F	15	59
Algiers	F	16	61
Amsterdam	F	10	50
Athens	C	11	52
Bahrain	C	19	66
Bangkok	F	34	93
Barcelona	S	17	63
Beijing	S	7	45
Beirut	F	14	57
Belfast	C	9	48
Belgrade		–	–
Berlin	C	12	54
Biarritz	C	13	55
Bombay	S	30	86
Bordeaux	C	15	59
Boulogne	F	11	52
Brussels	S	11	52
Budapest	S	11	52
Buenos Aires	R	29	84
Cairo	F	18	64
Cape Town	S	25	77
Caracas	C	29	84
Casablanca	F	18	64
Chicago	S	-1	30
Cologne	C	8	46
Copenhagen	R	7	45
Corfu	S	10	50
Dallas		–	–
Dublin	F	13	55
Dubrovnik		–	–
Edinburgh	R	9	48
Faro	S	19	66
Florence	S	15	59
Frankfurt	C	8	46
Geneva	S	13	55
Gibraltar	C	17	63
Glasgow	R	9	48
Helsinki	C	3	37
Hong Kong	F	21	70
Innsbruck	F	12	54
Inverness	R	5	41
Islamabad	R	16	61
Istanbul	F	7	45
Jakarta	R	31	88
Jersey	F	10	50
Johannesburg	F	25	77
Lima	F	29	84
Lisbon	F	21	70
London	S	13	55
Los Angeles	S	11	52
Luxembourg	C	10	50
Madeira	C	18	64
Madrid	S	20	68
Majorca	C	18	64
Malaga	C	16	61
Malta	S	15	59
Manchester	S	11	52
Manila	F	34	93
Melbourne	S	20	68
Mexico City	F	28	82
Miami	S	22	72
Milan	S	12	54
Montreal	S	-11	12
Moscow	S	1	34
Munich	S	13	55
Nairobi	C	28	82
Naples	F	12	54
Nassau	F	25	77
New Delhi	S	28	82
New York	Sn	1	34
Nice	S	15	59
Nicosia	S	14	57
Oporto	S	22	72
Oslo	S	6	43
Paris	F	15	59
Prague	S	11	52
Reykjavik	S	1	34
Rhodes	F	11	52
Rio de Janeiro	C	31	88
Rome	S	15	59
Salzburg	F	11	52
San Francisco	F	11	52
Seoul	S	11	52
Singapore	S	28	82
Stockholm	C	7	45
Strasbourg	C	12	54
Sydney	S	22	72
Taipei	C	23	73
Tangier	S	19	66
Tel Aviv	C	15	59
Tenerife	F	21	70
Tokyo	C	11	52
Toronto	S	-5	23
Tunis	S	18	64
Valencia	S	19	66
Venice	S	14	57
Vienna	S	9	48
Warsaw	S	9	48
Washington	R	2	36
Zurich	S	14	57

Temperatures at midday yesterday C–Cloudy Dr–Drizzle F–Fair Fg–Fog H–Hail R–Rain S–Sunny Sl–Sleet Sn–Snow T–Thunder

FINANCIAL TIMES
COMPANIES & MARKETS
Friday March 20 1992

INSIDE

Kumagai Gumi warns of 24% downturn

Kumagai Gumi, the aggressive Japanese contractor, yesterday forecast pre-tax profits for the year would fall 24.7 per cent, and that the value of its international contracts would plunge to Y50bn ($378m) next year from Y150bn. Page 22

Peasants back farm reforms

Peasant organisations in Honduras have finally agreed, after months of protests and tortuous negotiations with the government and ranchers, to support measures aimed at streamlining farming legislation including grounds for the compulsory redistribution of land. The government now boasts it has "the most comprehensive agricultural policy law in Latin America". Page 30

UK property slump hits Laing

John Laing yesterday became the second large UK construction group this week to announce a pre-tax loss for last year after making large provisions to cover the collapse of UK property values. Mr Martin Laing (left), chairman, said in the light of "a thumping great loss" the company would cut its final dividend from 10p to 6p making a total of 9p for the year. Page 28

Spain bucks the bourse trend

Spain bucked the lower turnover trend on Europe's bourses during February with a rise of 4.8 per cent. Foreign investors bought blue-chips in anticipation of lower interest rates – the central bank duly obliged the market towards the end of the month – and on optimism about inflation and the economy. Back Page

Buoyant Unichem quits bidding

Unichem, UK pharmaceuticals wholesaler, yesterday announced a 31 per cent increase in annual pre-tax profits and its withdrawal from the battle for Macarthy a week before the first closing date for the £96m ($166m) agreed offer from Lloyds Chemists. Page 29

Guinness profits ahead 13%

Guinness, the UK-based international drinks group, matched market expectations yesterday with a 13 per cent increase in 1991 pre-tax profits from £847m to £956m ($1.65bn). Page 20

China neutral on Midland move

China indicated yesterday that it would not raise serious objections to Hongkong and Shanghai Bank's proposed takeover of Midland Bank. Page 20

Market Statistics

Companies in this issue

Chief price changes yesterday

FRANKFURT (DM)

Rises			
Asko	805	+	35
Bilfing Berg	1085	+	15.1
Wella Prf	635	+	13
Falls			
Allianz	2315	–	18
Porsche	570	–	19
Schering	635.5	–	13.6

NEW YORK ($)

Rises			
Chrysler	18¼	+	½
Ford Motor	40⅜	+	1⅛
Harley-Davidson	60	+	3⅝
Pfizer	71½	+	⅜
Falls			
Conagra	27⅝	–	⅛
IBM	87	–	½

New York prices at 12.30.

PARIS (FFr)

Rises			
Chargeurs	1179	+	13
Gal Lafayette	1784	+	34
Falls			
Accor Ent	1002	–	28
Cetelem	810	–	15
Credit Lyon	573	–	11
Skis Rossignol	775	–	13

TOKYO (Yen)

Rises			
CSK	2780	+	340
Daito Steel	2600	+	300
Iseki	360	+	50
Nissan Food	2400	+	300
Showa Kalan	330	+	40
Yahagi Iron	300	+	35

LONDON (Pence)

Rises			
Arjo Wiggins	240	+	12
BAT Inds	687	+	27
De La Rue	577	+	14
GRE	128	+	13½
Lloyds Bank	387	+	12
Lonrho	108	+	10
Midland Bank	350	+	10
Morland	470	+	97
Rolls-Royce	157	+	8
Tarmac	138	+	14
Trade Indmnty	37	+	7
Falls			
Ashley	25	–	13
Cable & Wire	555	–	28
Cattle's	65	–	3
Courtyard Leis	21	–	5
Bardiner	27	–	3
Guinness	556	–	14
Hambros	242	–	12
Heath (CE)	403	–	15
Laing (J) A	155	–	5
Laporte	564	–	13
MTM	81	–	9
Tottenm Hotspr	100	–	5

Renault operating profits decline 25%

By William Dawkins in Paris

RENAULT, the French state-owned car and truck maker, yesterday unveiled that net profits for last year more than doubled, though operating earnings fell sharply in difficult market conditions.

Net profits at Renault, which has been allied with Volvo, the *Swedish automotive* group, for the past two years, rose to FFr3.08bn ($550m) in 1991 from FFr1.21bn the previous year. This is because of a steep drop in exceptional charges and a fall in the interest bill, the benefits of trimming the workforce and paying off debts.

Sales rose marginally from FFr163.6bn to FFr165.9bn over the same period, on which operating profits plunged 25 per cent to FFr4.6bn. That represented 1.9m cars and trucks sold, a fraction ahead of the previous year, giving Renault 10 per cent of the European market, against 9.9 per cent the previous year.

The fall in operating earnings was partly because of the freeze on demand caused by the Gulf war, but also reflected the impact of last autumn's strike at Renault's two main plants, said Mr Louis Schweitzer, managing director.

Renault lost the sale of 80,000 cars, worth FFr1.5bn, because of the strike, of which it had caught up on 20,000 by the end of the year. Its sales to France fell by 14.5 per cent last year, slightly faster than the car and light commercial vehicle market, bringing Renault's market share down fractionally to 29.1 per cent, where it is still domestic leader.

Its other two main European markets, Spain and Britain, also declined sharply. Germany rose 36 per cent and Renault doubled sales there, lifting its German market share by nearly two points to 5.4 per cent.

Interest charges fell from FFr1.98bn to FFr1.19m, reflecting the reduction in debt made possible by Renault's sale of FFr9bn of new equity to Volvo and the French government, and by last year's cash flow. Net debts fell by 43 per cent to FFr15.5bn.

The fall in exceptional charges reflects the previous year's heavy write-offs for Renault's subsidiary in Argentina and its truck units' US business, Mack Trucks. There was a one-off FFr969m gain last year, from Chrysler due to an increase in Jeep sales since the group bought Renault's American interests in 1987.

Volvo contributed a small loss of FFr12m to Renault's results, but the French group estimates that it has already saved FFr1bn on its development bill by deciding to use Volvo's larger (more than two-litre) petrol engines.

Volvo and BMW results, Page 20

Martin Dickson looks at French truck maker's shake-up of its US business

Mack's long haul back to health

Mr Michael Helm, general manager at Mack Trucks' Macungie plant on the outskirts of Allentown, north-east Pennsylvania, points proudly to a huge void between the assembly lines. "You could put a tennis court or two there," he says.

The void represents some of the 124,00 sq ft of space saved by complete overhaul of the plant's manufacturing methods since October 1990 when Renault of France acquired full control of Mack, a troublesome minority *investment it had held since the* early 1980s.

The overhaul, following a study of Renault's methods at RVI, its truck and bus division, and after consulting Macungie's own workforce, has sharply boosted productivity.

For example, unnecessary parts and materials which used to clutter the production line have been cleared, cutting inventory expense and making more efficient use of manpower: one team has been reduced from 10 men to seven because its members do not have to walk so far to pick up parts.

The reforms Renault is introducing at Mack are mostly standard practice among leading vehicle manufacturers. But the fact that a state-owned French company, with a patchy profits record, is teaching such lessons to a grand old name of the American motor business highlights the blinkered concentration on the short-term which has led many US industrial companies to lose their competitive edge over the past two decades.

"There's an American thinking today that 'we know better'," says Mr Helm, "when in point of fact that's not true. We [at Mack] used to believe that if it wasn't invented here it couldn't be good."

"Up to 1990 Mack was a totally egocentric company, with a parochial culture," says Mr Elios Pascual, the 51-year-old Frenchman sent by Renault to turn the company around.

"It became the most fantastic machine for inventing excuses that I have ever seen."

About 18 months after the takeover, Mack is still losing money – $158m last year – in a depressed US truck market. But Renault's reforms hold out the prospect of an eventual return to financial health.

The company was founded early this century and its trucks, with their distinctive bulldog mascot, earned a reputation for toughness.

However, in the 1980s the company went badly off the road when management *failed* to invest sufficiently in plant or manufacturing techniques and the quality of its vehicles began to deteriorate.

The problems worsened in 1987 when it moved from Allentown to a new plant in South Carolina, to escape the United Auto Workers (UAW) union and high wages.

However, after a legal battle the union won the right to represent the South Carolina workers. Then a lack of proper quality controls meant poorly finished vehicles quickly tarnished Mack's reputation.

These factors, and a slump in *US truck demand*, prompted Renault to step in to protect its investment. It launched a takeover, assumed management control and sent Mr Pascual, a senior executive at RVI, to sort out the mess.

He made a clean sweep of the company's top management, bringing a few senior French executives and hiring American ones from outside Mack's ingrown culture.

Arguably his most important reform has been to implement a system for measuring and controlling quality.

This is standard at most large industrial companies but at the old Mack, says Mr Pascual, "the management didn't feel the need for quality tools because quality was given from God. When you have this frame of mind, you don't see things deteriorating."

The company has also negotiated with the UAW substantial changes in work rules – which had been untouched since 1972 – to permit more flexible use of labour. And the number of employees has dropped by 16 per cent to 5,400 since the end of 1990.

The result has been a dramatic improvement in productivity. Hours required to produce a truck have fallen about 35 per cent where the new techniques have been introduced. And the quality of vehicles has improved to the point where Mr Pascual can claim they are among the best in the industry.

But none of this has translated *into success in the market.* Mack has seen its share of the North American heavy truck market drop from nearly 20 per cent at the start of the 1980s to around 11 per cent now.

However, the company argues that this decline has been exaggerated by its reluctance to compete in the transport fleet market, where manufacturers have been winning orders through loss-leading discounts, and by the fact that the recession has hit hardest at markets important for Mack: construction and rubbish trucks in the north-eastern US.

Mack aims at an 11.6 per cent market share this year, helped by well-received new models and engines and attempts to woo back customers.

None of this means a rapid return to profits. For one thing, North America's heavy truck manufacturers – led by Navistar, Paccar and Daimler Benz's Freightliner, each with roughly 22 per cent of the market – are battling for market share at a time of weak demand.

With at least twice as much manufacturing capacity as trucks sold, that spells slim profits for the strongest companies and heavy losses for the weakest.

The reforms at Mack still have a long way to go. Productivity gains identified by the new management have to be pushed across the group followed by squeezing smaller improvements out of the system.

Mack still has too much manufacturing capacity – its plants operate at 40 per cent of their potential output. And it wants further concessions from the UAW which means some delicate manoeuvring next autumn, when the company begins negotiations over a new labour contract.

RVI learns from its experience

The problems at Mack Trucks are only too familiar to Renault Véhicules Industriels (RVI), its French owner, writes William Dawkins in Paris.

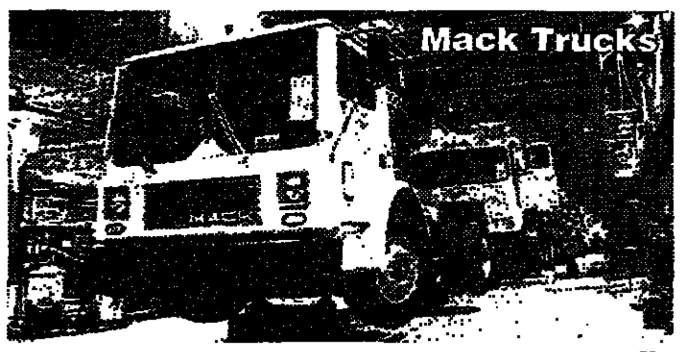
Less than 10 years ago RVI was one of French industry's costliest headaches. Its experience in trimming costs and improving quality means RVI feels qualified to do the same to Mack.

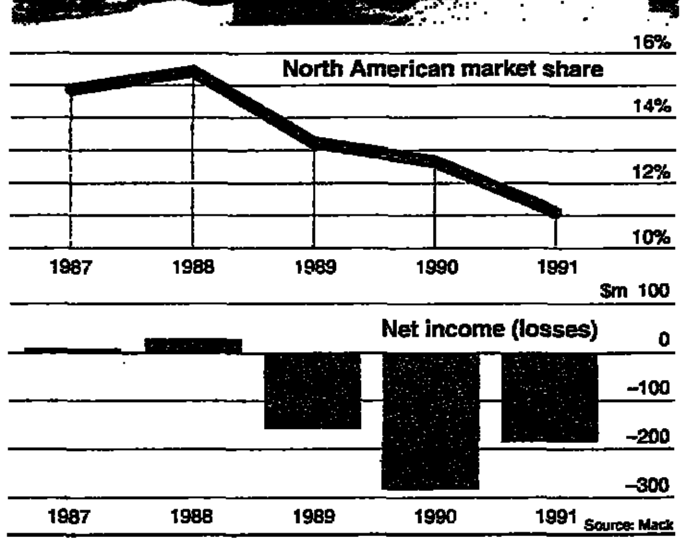
From 1983 to 1986, the Lyon-based group lost FFr7.5bn ($1.34bn), as it entered the recession with surplus capacity and a too large workforce. In seven years, it shed nearly 13,000 jobs to about 28,000 by the end of last year; improved training; and cut inventories.

RVI nearly went bankrupt before its restructuring took effect. But it responded to the upturn with a profits recovery in the late 1980s, helped by lower break-even point.

When the latest downturn hit, RVI suffered a relatively small loss, of FFr102m in 1990. It edged back to profit of FFr23m net last year.

Mr Jean-Pierre Capron, RVI's chairman, is convinced the Mack revival plan is paying off. He points to a 16 per cent average rise in productivity in the past year. "More than ever a big manufacturer needs to be present in North America," he said.





US waste group in £405m offering

By Richard Gourlay in London and Nikki Tait in New York

WASTE Management, the US group, is to sell 20 per cent of its international operations in a share placing and offering estimated to raise £405m ($700m).

The Chicago-based group, the largest US waste management company, is preparing a war chest for opportunities it expects to arise from tightening environmental regulations in Europe and growth in Asia.

The international operating company, Waste Management International, anticipates an offer price between 530p and 645p. At 587.5p, the mid-range price, the offering values the company at 30 times 1991 earnings, substantially above UK companies in the sector.

About 26m of the 75m new Waste Management International shares will be placed in the UK, 30m are being simultaneously offered in the US and nearly 19m will be offered for sale outside the UK, the US and Canada.

Cazenove is broker to the UK placing while Merrill Lynch is acting as global co-ordinator to the offer.

After the offerings and flotation Waste Management International will have almost no debt, shareholders' funds of about £500m and a $750m credit line from its parent. Waste Management has also effectively guaranteed up to £170m for any potential future environmental liabilities at any of its 80 facilities.

The prospectus says Waste Management will be seeking further acquisitions and also permits and licences for new greenfield sites.

Waste Management was founded in the late 1960s when the current chairman, Mr Dean Buntrock, joined forces with his wife's cousin, Mr Wayne Huizenga.

Their group has collected citations for pollution violations from the US Environmental Protection Agency.

In recent years, Waste Management has made efforts to improve its image. In the fourth quarter of 1991, the parent company took a $260m pre-tax charge for the estimated clean-up costs at old dump sites. Waste Management's after-tax profits last year fell from $684.8m to $606.3m as a result.

In the SEC filing, Waste Management International says £227m of the funds raised by the offering will repay debt owed to the parent company.

Lex, Page 18, Caird, Page 28

Cariplo to buy 21% stake in IMI

By Haig Simonian in Milan

CARIPLO, Italy's biggest savings bank, yesterday signed a letter of intent to buy a 21 per cent stake in Istituto Mobiliare Italiano (IMI), the Rome-based investment banking and financial services group.

No price for the deal, which is part of the wide-ranging restructure of Italian banking, has been revealed. However, S. G. Warburg, the UK merchant bank which valued IMI for the Italian Treasury, is thought to have put a L6,000bn-L8,000bn ($6.4bn) price tag on the company, valuing the acquisition at between L1,250bn and L1,680bn.

IMI is 50 per cent owned by the Italian treasury, while the rest of the shares are held by public and private sector financial institutions. Cariplo, which had total assets of L120,000bn at the end of 1990, is controlled by a public-sector charitable foundation.

The link between the two could provide the first step towards creating a third big, full-service *bank alongside Istituto Bancario* San Paolo di Torino and the new bank being established in Rome by the merger of Banco di Roma, Banco di Santo Spirito and the Rome savings bank.

Pressure has been mounting to complete some form of IMI-Cariplo deal before Italy's April 5 general elections. The link's supporters want it to take place before the end of April, when new board members could be appointed at IMI's annual meeting.

Other savings banks may be offered a further 21 per cent stake in IMI over the next 15 months. The Treasury would retain 8 per cent of IMI. The proposal is still vague, and it remains to be seen whether other savings banks want to join the deal. Talks last year between *Cariplo and four city savings* banks on a joint investment in IMI foundered on political differences and hostility among the smaller banks to paying large amounts in return for what seemed like little say in IMI.

The go-ahead for the Cariplo-IMI deal may be the first stage in other politically-sensitive banking transactions. The Socialist party, the main opponent of the deal, has stressed the priority of recapitalising Banca Nazionale del Lavoro (BNL), the Treasury-owned bank strongly identified with the party.

Slow start for year at BASF

By David Waller in Frankfurt

BASF, the German chemical group, yesterday announced a slow start to profits for this year and warned of large-scale lay-offs.

Group sales have risen about 2 *per cent to DM7.7bn ($4.63bn)* in the first two months of the year – but earnings in that period have not come up to the same level as last year.

Mr Jürgen Strube, chief executive, predicted that sales for the whole of the current year would probably rise by more than 2 per cent – but refused to be drawn on the likely outlook for profit, or whether he thought the worst was over for the industrial chemicals industry.

"Indications of a quick recovery are nowhere in the offing," Mr Strube said, describing 1991 as a year of disappointment for the company.

As announced last week, pretax profits dropped 23 per cent to DM2.18bn on stagnant sales of DM46.6bn and the company has decided to cut its dividend for 1991 by DM1 to DM12 per share.

BASF said it would be exploiting "all opportunities for optimisation and cost cuts" and that jobs in the group were likely to shrink by around 9,500 to about 120,000 during the current year.

Capital investment was DM4.8bn last year and is likely to be at the same level in the current year.

Earnings remain unsatisfactory and incoming orders show no sign of bucking the trend, the chief executive said yesterday.

Mr Strube described the first two months' trading: "Persistently declining selling prices were not offset by a corresponding drop in prices for raw materials and as a result margins shrunk. We were unable to cushion the decline in contribution margins as we were not successful in cutting fixed costs as planned."

The shrinkage in profit margins during the early months of this year could not be offset through reductions in fixed costs, the company said.

Exports and use of capacity had declined. The percentage of parent company exports in February fell 1 percentage point to 62 per cent while capacity utilisation at the parent company was eased 3 percentage *points to* 77 per cent.

Guinness ahead 13% but shares fall on warning

By Philip Rawstorne in London

GUINNESS, the UK-based international drinks group, matched market expectations yesterday with a 13 per cent increase in 1991 pre-tax profits to £956m ($1.65bn) from £847m.

Mr Anthony Tennant, chairman, said further "acceptable growth in profits" should be achieved this year, and industry analysts are forecasting a 12 per cent rise to about £1.07bn.

However, the company's shares closed 14p down at 556p on Mr Tennant's warning that trading conditions were likely to be no easier than last year.

"There seems to be little prospect of a speedy end to the recession in several major markets, notably the UK and North America," he said.

Group trading profit improved 19 per cent last year from £837m to £995m on turnover up 16 per cent at £4.07bn.

Guinness's 24 per cent stake in LVMH, the French drinks and luxury goods group, contributed additional profits of £123m.

Diluted earnings per share increased 15 per cent to 33.6p. The dividend is raised 15 per cent with a 7.75p final payment making a total 10.8p.

Guinness spent £881m on acquisitions during the year – notably Cruzcampo and Union Cervecera, the Spanish brewers; Asbach, the German brandy; and Pampero, the Venezuelan spirits company. In spirits, acquisitions contributed £299m to turnover, up 13 per cent to £3.44bn; and £37m to profits, 12 per cent higher at £749m.

Volumes were constrained by economic conditions in the US, UK and Australia, but the group's established premium brands gained market share in Asia/Pacific, Latin America and Europe, and margins were maintained or improved.

The Cruzcampo group's contribution to the brewing division more than covered the financing cost of its acquisition. It accounted for £61m of total brewing profits of £244m (£160m) and £283m of the £1.59bn turnover (£1.3bn).

Since 1987, in addition to its £1.1bn stake in LVMH, Guinness has invested £1.5bn in acquisitions. "We believe there will be further opportunities in both beer and spirits," Mr Tennant said.

The group's free cash-flow last year amounted to £182m.

Continental Europe now contributes the largest slice of profits, up from 24 per cent to 30 per cent after last year's acquisitions.

The accounts include an extraordinary charge of £41m reflecting the £70m net cost of settling the Argyll Group's claim for compensation arising from the 1986 Distillers takeover, partially offset by the recovery of £29m of the £68m invested in the Ivan Boesky partnership.

Lex, Page 18
LVMH results, Page 21

China stays neutral on Midland HK deal

By Simon Davies in Hong Kong and Alexander Nicoll in London

CHINA indicated yesterday that it would not raise serious objections to Hongkong and Shanghai Bank's proposed takeover of Midland Bank.

A statement issued in Hong Kong by an unofficial mouthpiece for the Beijing government allayed fears that the Chinese authorities would see Hongkong Bank's move as desertion of the territory ahead of China assuming sovereignty in 1997.

The Hong Kong branch of the China News Service, an unofficial Chinese news agency which has close ties to Beijing and usually reflects the official line, said the merger was a means of switching the assets of the colony's quasi-central bank out of Hong Kong. But it also said the move by Hongkong Bank to merge with Midland Bank represented a sound commercial strategy for the long term due to the limited potential business growth in Hong Kong.

The China News Service statement added that the proposals reflected "the group's strategy of vigorously expanding their overseas business".

The double-edged response was interpreted as neutral and reflecting an apparent decision by the Chinese government to adopt a wait-and-see attitude towards the proposed merger, which will substantially dilute the impact of earnings in Hong Kong on the enlarged group.

Mr William Purves, Hongkong Bank chairman, kept the Beijing authorities informed of the bank's plans and has emphasised its long-term commitment to the territory. This appears to have lessened the likelihood of any negative official reaction.

Hongkong Bank's role in the colony is sensitive because it performs some of the functions of a central bank, including issuing banknotes. Its chairman sits on the Executive Council, the governor's most important decision-making body. However, the Chinese authorities had previously given tacit approval in 1990 to switch the domicile of its holding company to London.

Car division loss grows but Volvo back in black

By John Burton in Stockholm

VOLVO, the Swedish vehicle group, returned a profit (after financial items) of SKr1.5bn for 1991 after incurring a loss of SKr327m in 1990. It is holding the dividend at SKr15.50 a share.

The return to profit was due to income from Volvo's shareholdings in the French vehicle group Renault and the Swedish pharmaceutical and food company Procordia, and the sale of shares in Saga Petroleum, the Norwegian oil company.

Profits after financial items, however, dropped by 28 per cent if restructuring costs of SKr2.4bn are excluded from the 1990 results. There was an an operating loss of 1.16bn against a profit of SKr567m in 1990.

Car division losses grew to SKr1.7bn from SKr855m. The bus division also had a loss of SKr152m against a profit of SKr67m in 1990, while marine and industrial engines had a deficit of SKr84m against a profit of SKr69m.

The truck group made a profit of SKr788m, a 44 per cent fall. Aerospace was the only division to improve, with earnings of SKr128m against SKr43m.

Sales fell by 7 per cent to SKr77.2bn as the recession deepened in Volvo's main markets. Net earnings from associates totalled SKr1.2bn once a loss of SKr510m was deducted from Volvo's other corporate holdings, including its stake in Nedcar, the Dutch auto joint venture.

Christer Zetterberg: fortunes may now be improving

Renault contributed SKr561 to earnings and Procordia SKr1.16bn. Volvo owns 20 per cent of Renault's car division and 45 per cent of the Renault truck group, while it holds 43 per cent of Procordia's voting rights.

The sale of shares gained SKr2bn for Volvo, with the sale of the Saga Petroleum securities providing SKr1.43bn.

Mr Christer Zetterberg, chief executive, said fortunes may now be improving, with a small operating profit of SKr88m posted in the fourth quarter of 1991 following five consecutive quarters of losses, including a deficit of SKr697m in last year's third quarter.

Sales in the last quarter of 1991 rose 19 per cent to SKr21.6bn from the preceding quarter, but were only 4 per cent above sales a year earlier.

BMW pegs payout despite 12.5% gain

By Andrew Fisher in Frankfurt

NET PROFITS of BMW rose last year by 12.5 per cent to DM783m ($475m), but the German luxury car company decided to keep its dividend unchanged at DM12.50 per voting share and DM13.50 for the preference stock.

The Munich-based company gave no further information about its progress in 1991 ahead of its annual press conference on April 1. It has already said that deliveries to customers in 1991 rose by 5 per cent to 552,660 cars and that turnover advanced by 10 per cent to nearly DM30bn.

Much of BMW's improved performance stemmed from the success of the latest generation of its 3-series model, the smallest car in its range. Despite some disruption caused by the changeover to the new model, car production was 6.5 per cent higher at 553,000 units.

BMW is now working on a version of the 3-series to compete with the powerful six-cylinder model at the top of Volkswagen's latest Golf range. The company said nothing about this yesterday, but recently confirmed a statement by Mr Wolfgang Reitzle, BMW's research and development director, that such a car was being planned.

Hoogovens falls into loss and omits dividend

By Ronald van de Krol in Amsterdam

HOOGOVENS, the Dutch steel and aluminium group, is to omit its 1991 dividend after falling into loss last year.

The group foresees no improvement for the first half of 1992.

The company made a net loss of Fl 51m ($27m) last year compared with a net profit of Fl 298m in 1990, when it paid a dividend of Fl 4.40, down 23 per cent from 1989.

It blamed the profit decline mainly on an 8 per cent fall in the selling price of its principal steel and aluminium products. This pushed group turnover down by 4 per cent to Fl 8.1bn.

The company, the Netherlands' only steel producer and the sixth biggest in Europe, noted that difficult economic conditions in western Europe had resulted in the postponement of both corporate investment projects and purchases of consumer durables.

Speculation mounts over flotation of Finmeccanica

By Haig Simonian in Milan

SHARES in Sifa, a stock market quoted subsidiary of Italy's state-owned Finmeccanica engineering group, were suspended yesterday amid growing speculation about an impending flotation of the parent company.

Finmeccanica, which is owned by the IRI state holding concern, is the financial holding company for much of IRI's engineering and high-technology activities, including the Alenia aerospace company. Finmeccanica owns 65 per cent of Sifa, which has financial and property interests. Finmeccanica officials would not comment on the rumours yesterday, but an announcement was expected after meetings of IRI's senior management and directors in Rome last night, to be followed by a Finmeccanica board meeting.

A partial flotation for Finmeccanica would mirror the situation among IRI's telecommunications interests, where both the holding company, STET, and the subsidiaries, notably the SIP domestic telephone utility, are quoted.

Italy's big public-sector groups have become obliged to turn to a variety of cash-raising measures, including partial privatisations, recently to overcome an increasingly severe cash squeeze.

Government funding has become much more selective on account of efforts to reduce the huge budget deficit, leaving many state-owned companies with the stark choice of cutting ambitious investment plans or turning to previously unattractive options like disposals or part-privatisations.

Matters have been further complicated for Finmeccanica by a demand from the European Commission in Brussels that the group repay L615bn ($496.6m) in financial assistance, deemed illegal subsidiaries by Brussels, destined for Alfa Romeo while the group was still owned by Finmeccanica before its sale to Fiat.

GRE cuts dividend by 41%

By Richard Lapper in London

GUARDIAN Royal Exchange, the fourth of the UK's five leading composite insurers to report 1991 results, yesterday cut its dividend by 41 per cent after announcing a 33 per cent increase in pre-tax losses to £210m.

However, the City reacted positively to the results. The loss was less than feared and investors were reassured by signs that underwriting results are improving and costs under control. The shares were marked up by 13½p to close at 128p.

Mr Sid Hopkins, chief executive, said the dividend cut would "enable GRE to participate more fully in the emerging business upturn."

The final dividend was 2.6p making a total of 7.0p for the year. Losses per share were 21.2p compared with 22p.

The group is to merge its Australian subsidiary with that of Zurich Insurance, one of Europe's biggest insurers. GRE will obtain 25 per cent in Zurich Australian Holdings. It has an option to sell its holding in ZAH to Zurich for A$110m (£48.4m) in three years.

Worldwide underwriting losses amounted to £491m against £445m, life profits were £23m compared with £25m, investment income was £268m against £267m with merged operations producing a loss of £10m.

As with its competitors UK underwriting losses dominated the the results amounting to £332m up from £250m. But a combination of rate increases of around 30 per cent and more selective underwriting reduced losses on the private motor account to £65.9m from £77.4m.

GRE reduced its exposures by 23 per cent and now insures some 675,000 motorists compared with 878,000 a year ago.

Commercial insurance losses increased marginally from £185m to £186.5m in spite of a rise in liability claims from £44.1m to £73.6m with increasing numbers of negligence awards against surveyors identified as one reason.

GRE also cut costs in its UK operations and staff numbers by 1,100 over the past 14 months. General expenses at GRE (UK) were cut by 9.6 per cent to £78.6m.

The dividend cut has also protected solvency. The solvency margin (the yardstick which measures net assets as a percentage of non-life premium income) amounted to 43 per cent at the end of 1991.

Lex, Page 18

Cerus expects another heavy deficit

CERUS, the troubled French holding company of Mr Carlo De Benedetti, the Italian financier, expects to record another heavy loss for 1991, though the deficit will be well down on the previous year, writes William Dawkins.

The group expects to make a FFr1.3bn ($230m) net loss for last year, against the FFr2.2bn net loss recorded in 1990. It attributed the deficit to FFr470m write-downs on the reduced value of Cerus' investments in Spanish industry, a FFr400m loss from Duménil Leblé, Cerus' French banking arm, plus provisions for losses on further asset sales.

INTERNATIONAL COMPANIES AND FINANCE

US thrifts on 'road to recovery'

By Alan Friedman in New York

THE long-suffering US savings and loan (S&L) industry is on the road to recovery, with virtually all of the weakest institutions having been disposed of, according to the head of the industry's largest trade association.

Mr Don Shackleford, chairman of the US League of Savings Institutions, which represents 1,800 S&Ls across America, said the industry had returned to profitability last year, for the first time since 1986.

The industry had earned a net total of $2bn in 1991, with 86 per cent of private-sector institutions in the black, Mr Shackleford said in a speech in New York yesterday.

Mr Shackleford acknowledged that among the reasons for the improving trend, aside from a strengthening of capital ratios to an average of 4.9 per cent, was the altered structure of the industry following many government seizures that form part of the US government bail-out.

The bail-out is estimated to carry a long-term cost of as much as $500bn over the next 20 years, if compound interest expenses are included.

Between August 1989 and November 1991 the Resolution Trust Corporation (RTC), the federal agency handling S&L seizures, closed 588 institutions, accounting for some $279.7bn of assets.

Mr Shackleford said the total assets of the S&L industry rose from $1,100bn in 1985 to a peak of $1,350bn in 1988. Total assets of the thrifts now amount to around $950bn.

He said the number of members of his association had been more than halved since 1985, from 4,000.

Since the end of 1991, the Office of Thrift Supervision (OTS), the S&L regulatory agency, had reduced from 65 to 55 the number of institutions that were expected to fail.

At the end of last year, the OTS classified some 437 of 2,096 private-sector US S&Ls as either troubled by poor earnings and low capital, or likely to be closed by the RTC. These represented more than 30 per cent of total US S&L industry assets.

Mr Shackleford argued that "decent directors who represent the potential for attracting sound capital" should not be subject to what he called "indiscriminate intimidation".

He was remarking on the legal legacy of the S&L crisis, which is now resulting in a number of lawsuits.

Mr Shackleford argued that while he recognised the need to prosecute former S&L executives, such as Mr Charles Keating, who was recently convicted on charges of defrauding bond investors, "it is important that we go for the rapists, not the jaywalkers".

Seagram achieves record sales for year

By Robert Gibbens in Montreal

SEAGRAM, the international drinks group, notched up record sales and operating profits for 1991, but net profit slipped 4 per cent to US$727m.

The company also announced a four-for-one share split and dividend increase.

The quarterly dividend initially will be 14 cents a share on the new split stock, up 12 per cent from the present level. On an annual basis, Seagram will pay 56 cents a share, against the equivalent of 50 cents.

"Economic conditions in many markets could be improved but we make decisions for the long term," said Mr Edgar Bronfman, chairman and chief executive. "We have enormous confidence in our brands and we will continue to invest and expand our business."

Sales for the year ended January 31 rose 3.6 per cent to $6.35bn, and operating income before special items was up 7.3 per cent to $760m. After gains on asset disposals, operating income was $961m, against $708m a year earlier.

Including dividends from its 25 per cent interest in Du Pont of the US and its share of Du Pont's unremitted earnings, Seagram's final net profit was $727m, or $7.67 a share. The result was down nearly 4 per cent from $756m, or $8.03, due to lower unremitted earnings from Du Pont, which was severely hit by the recession in 1991.

Seagram's spirits and wines group posted a 9.5 per cent gain in operating income, with higher margins and lower overheads. A decline in the US and the effects of a higher US dollar were offset by a strong performance in Asia and Latin America.

Fourth-quarter final net profit was $197m, or $2.07 a share, against $175m, or $1.87, a year earlier. Revenues were $2.06bn against $1.83bn.

Trading in Continental Air shares suspended

By Nikki Tait in New York

THE American Stock Exchange yesterday agreed to suspend trading in the ordinary shares of Continental Airlines, the fifth largest US carrier which has been operating under Chapter 11 bankruptcy protection since late 1990.

Along with the ordinary shares, the public market in two debt issues will also be suspended, all with effect from this morning. Five other debt issues will continue to trade.

The announcement comes after wrangling between the exchange and Continental, which has said it is anxious to protect investors. It highlights the difficulties in deciding whether to maintain a public market for a company's securities once it has gone into bankruptcy.

Continental, for example, has filed a reorganisation plan which, if accepted by creditors and the bankruptcy courts, would render the ordinary shares worthless. Yet its common stock has continued to change hands, and still enjoys speculative flurries.

Nor is Continental a one-off. A small British investor lost thousands of pounds by buying shares in Pam Am when the international carrier filed for bankruptcy in January 1991. Nine months later, Pam Am – like Continental – filed a reorganisation plan which would have eliminated the ordinary equity (although, in this case, the airline eventually folded).

The American Stock Exchange, which is smaller than the New York Stock Exchange, said that 11 of the 850 companies listed with it were in Chapter 11.

It admits there is no standard policy towards trading in bankrupt companies' securities – but justifies this on the grounds that every corporate situation is unique, and judgments need to be made on a case by case basis.

One problem is the length of time that a bankruptcy can last – allowing for significant jockeying between creditors and changes in underlying trading fortunes.

The Continental board, however, has now formally authorised the filing of an application with the Securities and Exchange Commission to "delist" its common stock. This is due to be lodged with the SEC shortly.

LVMH improves on late surge

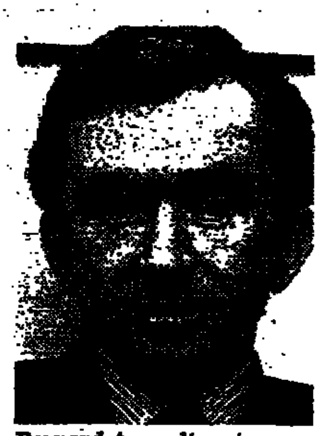
By Alice Rawsthorn in Paris

LVMH, the French luxury goods group run by Mr Bernard Arnault, yesterday announced an 11 per cent increase in net profits to FFr3.74bn ($669m) in 1991 from FFr3.37bn the previous year.

The group, which owns a string of prestigious brand names including Louis Vuitton luggage, Christian Dior perfumes, Moët et Chandon champagne and Hennessy cognac, saw sales slip in the opening months of last year because of the impact of the Gulf war on international air travel and the important duty-free market.

However, it managed to stage a recovery in the second half of 1991. By the end of the year, group sales rose by just over 11 per cent to FFr22.04bn from FFr19.83bn, and operating profits increased 13 per cent to FFr6.41bn, against FFr5.67bn.

As a result, net earnings per share rose 11.5 per cent to FFr252, compared with FFr226 last time, and the board proposed a dividend of FFr68 a share for the year.



Bernard Arnault: net profit rose 11 per cent

The champagne and wines division sustained a slight fall in operating income to FFr1.83bn, against FFr1.34bn, on sales ahead to FFr5.55bn from FFr5.15bn. The downturn in operating income reflected the impact of the economic recession in its key markets of the US and UK.

By contrast, cognac and spirits saw operating profits rise to FFr2.79bn from FFr2.3bn, on sales of FFr6.23bn, against FFr5.07bn. This reflected the buoyancy of the Asian market and strong growth in sales of older quality cognacs.

Luggage and leather goods reported a rise in operating profits to FFr1.88bn from FFr1.75bn, on sales of FFr4.85bn, up from FFr4.45bn. The recently introduced *cuirépi* range experienced a 50 per cent increase in sales.

Perfumes and beauty products benefited from the launch of two new fragrances – Dune by Dior and Givenchy's Amarige – and saw operating profits rise to FFr636m, against FFr462m last time, on increased sales of FFr4.87bn, against FFr4.65bn.

Minorco sees more acquisitions

By Kenneth Gooding, Mining Correspondent

MINORCO, the Luxembourg-based overseas investment arm of the Anglo American-De Beers group of South Africa, spent more than $1bn on acquisitions in the past two years, but still had $1.8bn in cash at the end of December.

The group, which collected $2.5bn from the sale of its shares in Consolidated Gold Fields of the UK following an unsuccessful bid, still generates most of its earnings from financial income.

However, Minorco said yesterday that present conditions offered the opportunity to make strategic acquisitions at attractive values".

In the six months to December 31, Minorco's earnings before tax slipped from $115.9m to $105.6m. Operating earnings contributed $72.3m of the total and financial income of $102.6m, compared with $8.1m and $99.6m last time.

This was better than most analysts had expected. Minorco described the results as satisfactory. However, it added: "Prevailing economic conditions, with weak commodity prices and a trend towards lower interest rates, persuade us to remain cautious about our results for the second half."

"Nevertheless, the company is lifting its interim dividend by 6 per cent, from 17 cents a share to 18 cents.

In the half-year, Minorco bought Buxton Lime Industries in the UK from ICI for $207m, and acquired another quarrying operation near Berlin to add to Elbekies, one of the assets currently being sold off in east Germany. In the half-year, the German aggregates business did better than expected and turned in a "satisfactory" performance.

Minorco's biggest purchase was the Freeport McMoran gold operations, subsequently renamed Independence Mining, for $705m. In the six months, Independence produced 172,000 troy ounces of gold, a 22 per cent increase.

Restructuring to hit Lawson Mardon staff

By Robert Gibbens

LAWSON MARDON, the international packaging group, is cutting 600 jobs from its total workforce of 7,600 over the next 18 months and has taken a C$31m (US$26.2m) special restructuring charge.

Mr Lawrence Tapp, president, said Lawson's organisational structure has been outdated by the global recession and intense international competition .

Including the special charge, Lawson posted a 1991 loss of C$10.8m, or 38 cents a share, against a profit of C$25.5m, or 89 cents, in 1990. Revenues were C$1.2bn against C$1.1bn.

The company, 52 per cent held by Cragnotti Financial of Ireland, will consolidate five divisions into three main operating units – two in Europe and one in North America.

The company is a leader in European flexible packaging, especially for food products.

The European units will be known as LMG Packaging and LMG Folding Cartons and the North American unit as LMG Packaging and Labels.

The job losses will be spread throughout the company's operations as support staff are merged. Lawson expects to trim annual operating costs by about C$4m.

Commercial printing and finishing operations in Toronto and New Jersey are being sold. A Toronto packaging plant has been moved to New York state.

Vereinsbank plans rights issue

By David Waller in Frankfurt

BAYERISCHE Vereinsbank, the larger of Germany's two big Bavarian banks, plans to hold its third rights issue since the beginning of last year.

It is offering one new share for every 10 already held to raise a total of DM627m ($382.3m), following a total of DM968m raised in two issues last year. The new shares will be offered at DM350 each.

The Munich-based bank also announced yesterday that its group partial operating profits had risen 21 per cent to DM1.19bn last year, while parent company partial operating profits – which are a more direct reflection of conditions in the domestic banking market – rose 31.4 per cent to DM763m.

As with all of Germany's big banks, the Vereinsbank – the country's fourth largest – has been a beneficiary of strong demand for credit in the past year.

The bank gave no reasons for its rights issue, but it is likely that the proceeds will be used to finance further lending and its continued expansion into the five new eastern German states, where it has built up a network of around 50 branches from scratch since the summer of 1990.

The bank said yesterday that its dividend for the current year would be DM13 a share, the same as in each of the past five years.

The rights issue will create a total of 1.79m shares. These will qualify for the 1992 dividend, and the subscription period will last from April 30 to May 15.

On Monday this week, the Bayerische Hypotheken-und Wechsel-Bank (the Hypo-Bank), the other large Bavarian bank, announced a one-for-six rights issue to raise DM910m.

Teleglobe monopoly extended

By Robert Gibbens

CANADA'S federal government has extended Teleglobe Canada's monopoly on overseas telecommunications for another five years.

Any other course of action would allow international competitors to fragment Canada's small telecommunications market and hamper its global development, said Mr Perrin Beatty, federal communications minister. "Canadian telecommunications players must be able to compete internationally," he added.

He said the five-year extension would allow Teleglobe to plan ahead, and after 1997 the "exclusive mandate" would be reviewed again.

Control of Teleglobe management has shifted recently to Bell Canada, the eastern Canada telecommunications utility, and its parent BCE has taken over leadership of the whole trans-Canada public telecommunications system.

Both the government and BCE believe a single public system, *including Teleglobe* and its international gateways, is needed to enable Canadian rates to compete effectively with AT&T of the US. They fear more and more Canadian voice and data traffic from overseas could be routed through the US.

BCE and the trans-Canada system, now called Stentor, have taken the first steps in cementing global links.

Schindler in sharp decline

SCHINDLER, the world's second-largest lifts group, suffered a 34.7 per cent fall in consolidated net profit to SFr87.8m ($58.5m) in 1991, writes Ian Rodger in Zurich. The decline reflected sharp reductions in demand, mainly in the UK and North America, and pressure on world prices.

Group operating revenue was nevertheless up 8.8 per cent to a record SFr4bn, with currency translation contributing 3.3 per cent.

Operating revenue in the elevators and escalators division was up 9.9 per cent to SFr3.7bn, while revenue from rolling stock sales fell 3.4 per cent to SFr283m.

However, new orders for rolling stock soared from SFr95m in 1990 to SFr554m.

Mentor Insurance creditors set to receive first pay-out

By Andrew Jack

CREDITORS of Mentor Insurance, the collapsed Bermuda-based reinsurance company, will receive a first dividend of 25 cents in the dollar, the joint liquidators announced yesterday.

Nearly 800 creditors will receive payments after the end of this month, followed by a second dividend in two or three years' time, said Mr Nigel Hamilton and Mr Charles Kempe of Ernst & Young, the joint liquidators.

The news came after approval of the arrangement by the creditors' committee meeting in Bermuda. The first payment had been thought likely to be smaller and come much later.

Mentor, a wholly-owned subsidiary of Ocean Drilling and Exploration Company of New Orleans, which was set up as a captive insurance company to its parent company, collapsed in 1985 with undiscounted gross liabilities of $790m when it lost heavily on attempts to insure other companies. It was wound up by the Bermuda government.

The settlement was eased by a $40m out-of-court cash payment and withdrawal of $90m in claims by banks, announced last month following legal action brought by the company against its parent and KPMG Peat Marwick, its auditors.

Noranda sees return to profit

NORANDA, Canada's biggest resource group, said commodity prices appeared to have bottomed out and it should break even this year and return to profitability in 1993, writes Robert Gibbens.

The company admitted it had not foreseen the severity of the downturn in 1991 when it suffered a loss of C$133m, or C$1.04 a share, on revenues of C$8.5bn.

ConAgra advances 20.5%

CONAGRA, the diversified US food group, yesterday reported a 20.5 per cent improvement in third-quarter profits at $84.1m after tax, writes Nikki Tait.

The figures, for the three months to February 23 were scored on slightly lower net sales of $4.85bn, from $5.04bn in the year-earlier period, and translated into a 17.9 per cent rise in earnings per share, at 33 cents.

In the first nine months of the year, ConAgra – whose brands range from the Healthy Choice frozen dinner line to La Choy oriental products – has seen net profits increase to $264.5m from $228.1m in 1990-91.

The company, based in Omaha, said there had been "unusual industry-wide pressure on a number of businesses and markets", and reported mixed results on a division by division basis.

The largest industry segment, processed foods, saw operating profits fall slightly compared with the same quarter last time.

Dow expects 1993 charge

DOW Chemical of the US expects to take a one-time after-tax charge of between $650m and $950m in the first quarter of 1993 as a result of changes in accounting standards, Reuter reports.

The US Financial Accounting Standards Board mandated a change in the accrual method of accounting for retiree healthcare and life insurance benefits effective after December 15 1992.

Dow also said that it expected challenging economic conditions to continue in 1992, but the company should see a resumption in growth from 1991 levels, when Dow Chemical's net earnings fell 32 per cent to $3.46 a share.

Weak industry fundamentals continued to affect prices for basic chemicals and plastics.

"Given these circumstances, we do not anticipate great improvements in returns from basic chemicals and plastics until the second half of the year, but most of our speciality products will continue to grow," Mr Frank Popoff, Dow president, said.

INTERNATIONAL COMPANIES AND FINANCE

Kumagai Gumi to cut work abroad

By Robert Thomson in Tokyo

KUMAGAI Gumi, the aggressive Japanese contractor, yesterday forecast that pre-tax profit for the year would fall by 24.7 per cent, and predicted that the value of its international contracts would plunge to Y50bn ($378m) next year from Y150bn.

The company, which had been one of the most international of Japanese contractors, had indicated that it would reduce the ratio of contracts abroad, but the suddenness and scale of the retreat came as a surprise yesterday.

Kumagai said that orders received during the year to end-March are likely to total Y1,250bn, down Y150bn on a previous forecast, with a pre-tax profit of Y38bn on sales of about Y1,150bn, a 4 per cent fall on a year earlier.

It said that calculating net profit has been complicated by the Tokyo stock market's volatility, which has affected stock appraisal losses for the period. Those losses are expected to total more than Y5bn, and net profit could be down about 12 per cent to Y16bn.

Japanese contractors report that the weakness of the domestic property market has forced the postponement of a growing number of projects, and Kumagai said that it was also bruised by an increase in delayed payments from clients.

The decline of the Japanese property market has been uneven, although land prices are reckoned to have fallen 30 per cent nationally over the past two years, with some apartment prices in the west falling by as much as 50 per cent.

Kumagai has intended to sell as much as Y1,125bn in overseas property holdings to reduce its debt burden, but this has been delayed by the slump in the international market, in which it had been an aggressive developer, with projects in New York, London, Sydney and Beijing.

Two years ago, the company reported that overseas contracts made up about 26 per cent of its total operations, but the level fell to 14 per cent last year and is likely to be less than 5 per cent next year.

TNT in international mail deal

By Kevin Brown in Sydney

TNT, the Australian transport group, yesterday said it had completed a deal with five European and North American post offices to operate a joint international express mail service.

The venture, to be known as GD Net, will significantly increase the volume of packages being carried by TNT's extensive European network of trucks and aircraft.

Mr John Mullen, chief executive, said the agreement was "an historic day for the world express industry. It makes the world we do business in that little bit smaller."

The completion of the deal ends nearly a year of detailed negotiations between TNT and the post offices of Canada, Sweden, France, Germany and The Netherlands.

TNT has suggested that a number of other European post offices might seek to join GD Net, which will be based in Amsterdam, and will employ more than 10,500 people servicing deliveries to 190 countries.

The group said GD Net would use the brandnames of TNT Express Worldwide and EMS, the international express mail system operated by European and North American post offices, for the "foreseeable future."

The deal represents a considerable coup for TNT, which had struggled to generate sufficient volume for its loss-making distribution network in the heavily competitive European market.

Earlier this week, TNT announced a US$18m deal to acquire Chronoservice, a leading French domestic express carrier, and deliver in-bound shipments in 10 European countries for Federal Express of the US.

The group has recovered strongly since the beginning of last year, when its share price fell below A$1 on the Australian Stock Exchange on worries about its liquidity and profitability. The shares closed 5 cents lower in Sydney, at A$1.88.

HK hotels group posts 6% fall

By Simon Davies in Hong Kong

HONGKONG and Shanghai Hotels, which owns the luxury Peninsula hotel group, reported net profits of HK$313m (US$42.64m) for 1991, a 6 per cent decline from 1990's HK$333m.

The results showed a marked improvement over the interim stage, when the hotel group saw profits drop by HK$32m. Operating profits were 5 per cent down for the full year at HK$479m, on turnover up 1 per cent to HK$1.74bn.

Profits were hit by the effects of the Gulf war and recession in Europe and the US. But Mr Hanmer Webb-Peploe, managing director, said: "The lower-than-expected returns from the hotel and restaurant business were offset to a significant degree by the strong revenue generated by the company's property portfolio and non-hotel operations, which continued to perform well."

Earnings were also affected by the closure of 54 rooms in the flagship Peninsula Hotel in Hong Kong while a 32-storey tower extension is built.

But Mr Webb-Peploe indicated the hotel and restaurant operations would experience only a slow recovery in 1992 "as a result of the continuing recession in several major western economies".

Hongkong Hotels recommended a final dividend of 11 cents, making a total of 17 cents in 1991, the same as in 1990.

Dairy Farm earnings decline 3%

By Simon Davies

DAIRY FARM International, Jardine Matheson group's food retailing arm, announced a 3 per cent decline in net earnings for 1991 as a result of the impact of acquisitions in Spain and New Zealand in mid-1990 and the effects of a price war in Australia.

The company also announced it would follow Jardine Matheson in pushing for a primary listing in London with a secondary listing in Hong Kong if the Hong Kong Stock Exchange implements the changes in secondary listing requirements, which were hammered out following Jardine's threat to delist.

"This would enable us to be represented in a consistent regulatory framework over the long term," said Mr Owen Price, managing director. The announcement had been expected.

Dairy Farm's results were also in line with expectations. Profit after taxation and minority interests fell to $146.8m, from $151.8m, while turnover increased by 26 per cent to $4.62bn, from $3.65bn in 1990.

The company had been rumoured to be announcing a rights issue, but Mr Price said that with a debt-to-equity ratio of 26.6 per cent and strong cash flow, there would be no need. And the company provided an optimistic forecast for 1992.

Wholly-owned Australian supermarket chain Franklins succeeded in increasing market share during last year's price war, although profit margins were pared. Margins were expected to improve in 1992, he said.

The company saw a maiden full-year contribution from recently-acquired Woolworths New Zealand, where a change of marketing strategy increased its share of the market, although sales were affected by the weak economy. Hong Kong operations continued to grow, but with high market share in a limited area, Mr Price indicated its Wellcome Supermarket sales would see slowing growth.

The outlook for Taiwan was positive. The operations continued to lose money in 1991, but it emerged as the largest supermarket chain in the country and set up a central warehouse in Taipei, the rewards of which will be seen in 1992.

Simago, the recently-acquired Spanish retail chain, remained a drain on both management and financial resources. Mr Price said large changes were implemented in 1991, with a significant retrenchment of staff, and "we would expect an improvement in 1992".

At the year end, Dairy Farm had a total of 985 stores and a gross trading area of 10m square feet. The company recommended a dividend of 3.25 cents per share, making a full year dividend of 4.6 cents, the same as 1990.

Eon lifts annual net profits to M$103.99m

EDARAN Otomobil Nasional (Eon), the Malaysian distributor of the Proton car, which last year took a 15.1 per cent holding in Cycle Carriage (CC), a publicly-listed car assembler operating in Singapore and Malaysia, yesterday reported a rise in net profits to M$103.99m (US$39.96m) for 1991 from M$68.98m a year earlier, Reuter reports from Kuala Lumpur.

Turnover advanced to M$2.57bn from M$2.08bn and pre-tax profits moved ahead to M$174.16m from M$112.84m.

A maintained final dividend of 10 cents a share has been recommended, making a total of 20 cents for the year compared with 10 cents for 1990.

ASC files against Compass management

By Kevin Brown in Sydney

THE Australian Securities Commission (ASC), the corporate watchdog, yesterday launched a court action for damages against seven directors and three senior managers of Compass Airlines, which collapsed in December.

In a suit filed in the federal court in Brisbane, where Compass was based, the ASC alleges that the 10 breached their duties under the corporation law by allowing Compass to trade whilst insolvent.

The suit seeks unspecified damages which would be paid to Compass Airlines and Compass Holdings, its parent company, both of which are in provisional liquidation.

The ASC said there was no suggestion that any of the respondents engaged in any dishonest conduct. The suit alleges the airline was kept flying after ceasing to be viable.

The suit was heavily criticised by Mr Bryan Grey, the chief executive of Compass, who founded the airline after a change in federal aviation policy allowed new entrants to challenge government-owned Australian Airlines and Ansett Australia, jointly owned by TNT and News Corporation.

"At no time did Compass trade while it was insolvent. I am absolutely disgusted," Mr Grey said. Mr Leigh Brown, a former Compass director, said he believed the case would fail.

Compass ceased flying after a long struggle against the two leading carriers which sparked an escalating price war in which all three lost revenue.

The airline's management claimed it had been the victim of predatory price-cutting. Mr Grey also said Australian Airlines had failed to provide ground facilities required by the government.

Southern Cross Airlines, which hopes to begin services later this year, said the court action would not affect its plans for a merger with Compass, which is being worked out with Mr Ian Ferrier, the provisional liquidator.

Kumpulan Guthrie advances 149%

KUMPULAN Guthrie, Malaysia's largest plantation group, yesterday reported a 149 per cent advance in group net profits to M$57.22m (US$21.99m) for 1991 from M$22.97m in the previous 12 months, Reuter reports from Kuala Lumpur.

The company said the higher profits were due to increases in commodity prices and a favourable performance of overseas marketing companies. The directors expect higher profits in 1992.

The directors are recommending a final dividend of 7 cents a share, making 10 cents for the year, up from 9 cents in 1990.

Watchdog drops case on Air NZ stake

THE New Zealand Commerce Commission, the monopolies watchdog, yesterday withdrew its case against Brierley Investments (BIL), the New Zealand investment and trading group, and Qantas Airways, the Australian national carrier, over their stakes in Air New Zealand, Reuter reports from Wellington.

The commission said it had withdrawn because it had achieved its main objective of preventing the acquisition by Qantas of further shares in Air NZ without commission clearance.

Qantas holds 19.9 per cent Air NZ and BIL 42.5 per cent.

"The commission has concluded that its action to block the acquisition by Qantas has been vindicated and has been successful," Ms Susan Lojkine, the commission chairman said.

The commission had alleged that Qantas and BIL made an oral agreement before they, along with Japan Airlines (JAL) and American Airlines, bought Air NZ in April 1989.

American, a unit of AMR of the US, recently sold its 7.5 per cent stake to BIL. Qantas had earlier sought to buy the stake.

Ms Lojkine said Qantas and BIL would give undertakings to the New Zealand courts, including an undertaking in respect of BIL's purchase of American's stake.

The commission had received an affidavit from Mr Paul Collins, BIL chief executive, stating that there was not, and never had been, any arrangement or understanding between Qantas and BIL that Qantas was to exert management control over Air New Zealand.

When the consortium to buy Air NZ was set up, Qantas agreed to guarantee the dividend for BIL's Air NZ shares and to assure BIL a minimum selling price on part of its stake.

Rossington Investments reprimanded

By Kevin Brown

ROSSINGTON Investments, the vehicle for a bid for Australian Consolidated Investments (ACIL) by two companies associated with Sir Ron Brierley, was reprimanded yesterday for an apparent breach of corporate regulations.

Rossington, which is jointly owned by Brierley Investments of New Zealand and GPG, Sir Ron's UK company, announced on Wednesday that it had reduced its A$127m (US$95.4m) bid for ACIL from 23 cents a share to 21.5 cents.

The reduction reflected Rossington's revised valuation of ACIL following the group's agreement to make a A$14m out-of-court settlement to the liquidator of Spedley Securities, with which ACIL has been engaged in a legal battle.

Sir Ron accused ACIL of "gratuitous capitulation" which was "so inexplicable that, in the absence of a credible explanation, it will be necessary to pursue the issue of directors' liabilities for breach of duties and responsibilities to shareholders".

However, Mr Michael Braham, the New South Wales regional commission of the Australian Securities Commission, the corporate regulator, said Rossington's announcement of its lower bid "may have caused the market to be misinformed".

Mr Braham said the ASC refused Rossington's application to reduce the bid price on Tuesday and informed the company of its decision on the same day. The ASC said it would decide next week whether to take any action against Rossington.

ACIL has rejected Rossington's bid, which the directors said was "highly conditional," and poor value for shareholders.

ACIL shares closed 1 cent lower on the day at 22 cents.

Rossington's bid for ACIL is the first joint takeover attempt by the two companies with which Sir Ron is associated since he acquired GPG in 1989. He resigned as Brierley Investments' chairman in 1990 but remains a director.

The bid is conditional on the cancellation of ACIL's plan to sell to Lion Nathan of New Zealand its 50 per cent share in National Brewing Holdings, formerly the brewing arm of Mr Alan Bond's Bond Corporation Holdings.

ACIL would also be required to cancel a A$220m float of Bass Strait oil royalty holdings planned by Weeks Petroleum. ACIL holds a shareholding of 96 per cent in Weeks, but does not control the board.

Lion Nathan says it has "an absolute and binding contract" for the purchase of National Brewing, which would give it 100 per cent control of the Tooheys, Castlemaine XXXX and Swan brands.

ACIL, formerly known as Bell Resources, was once a vehicle for takeover activity by the late Mr Robert Holmes à Court, who died last year. It was later part of the Bond group, which crashed last year.

INTERNATIONAL CAPITAL MARKETS

Strong gains for long-end Treasuries on trade data

By Karen Zagor in New York and Sara Webb in London

US TREASURY prices posted strong gains at the long end of the yield curve yesterday as the market ignored an unexpectedly sharp drop in jobless claims and turned its attention to favourable trade data.

At midday, the yield on the benchmark 30-year bond had fallen through the psychologically important 8 per cent mark, with the issue climbing ⅝ to 100⅜ to yield 7.95 per cent. Movement was less pronounced among shorter-dated maturities; the three-year note firmed ⅛ to yield 6.24 per cent.

The Federal Reserve entered the open market to arrange $2bn customer repurchase agreements when Fed funds were trading at 4$\frac{1}{16}$ per cent. The operation, which adds reserves to the banking system, had no implications for official policy.

The market took a 27,000 decline in jobless claims for the week ended March 7 in its stride, although the drop was larger than expected.

Instead, there was some buying on the back of merchandise trade figures for January, which showed a decline in exports for a third consecutive month.

GOVERNMENT BONDS

BENCHMARK GOVERNMENT BONDS

		Coupon	Red Date	Price	Change	Yield	Week ago	Month ago
AUSTRALIA		10.000	10/02	99.1885	-0.191	10.13	9.98	10.10
BELGIUM		9.000	06/01	101.1500	-0.250	8.80	8.72	8.73
CANADA *		8.500	04/02	97.7500	+0.150	8.84	8.92	8.49
DENMARK		9.000	11/00	101.0000	-0.275	8.81	8.66	8.59
FRANCE	BTAN	8.500	03/97	98.1642	-0.115	8.96	8.79	8.76
	OAT	8.500	11/02	98.8300	-0.240	8.66	8.52	8.46
GERMANY		8.000	01/02	100.2400	-0.120	7.95	7.92	7.92
ITALY		12.000	02/02	98.5800	-0.250	12.25†	12.13	12.31
JAPAN	No 119	4.800	06/99	95.8718	+0.027	5.60	5.61	5.72
	No 129	6.400	03/00	105.9446	+0.147	5.34	5.45	5.39
NETHERLANDS		8.250	02/02	99.4900	-0.130	8.32	8.28	8.30
SPAIN		11.300	01/02	102.4500	-	10.86	10.77	10.78
UK GILTS		10.000	11/96	100	-4/32	9.99	9.85	9.40
		9.750	08/02	99-20	-11/32	9.81	9.69	9.31
		9.000	10/08	95-08	-12/32	9.58	9.48	9.11
US TREASURY *		7.500	11/01	99-20	+14/32	7.55	7.59	7.42
		8.000	11/21	100-12	+17/32	7.97	8.01	7.87

London closing. *denotes New York morning session. Yields: Local market standard. † Gross (including withholding tax at 12.5 per cent payable by non-residents.) Prices: US, UK in 32nds, others in decimal. Technical Data/ATLAS Price Sources

■ UK GOVERNMENT bonds slipped back again on political uncertainty, with the fall in the other European government bond markets contributing to the weak sentiment.

With the latest round of opinion polls showing that neither the Labour party nor the Conservative party has a clear lead in the general election campaign, the market is likely to focus on fresh polls this weekend, traders said.

In addition, yesterday's unemployment figures were seen as "politically negative" and unlikely to provide much comfort for the gilt market, according to dealers. The figures showed a seasonally adjusted rise of 40,200 in the number of unemployed in February, taking the total number of jobless to 2.64m, the highest level since October 1987.

The benchmark 11¾ per cent gilt fell from Wednesday's close of 112$\frac{23}{32}$ to 112$\frac{1}{8}$ by late afternoon, yielding 9.875 per cent. Shorter-dated stocks held up better as traders point out that disappointment over the diminished prospects of a base rate cut has already been discounted by the market. The 10 per cent gilt due 1996 slipped from 100¼ to 100$\frac{1}{16}$, yielding 9.97 per cent.

■ FRENCH government bonds fell nearly a quarter of a percentage point, reflecting concern over the outcome of the regional elections this Sunday.

The June futures contract on the Paris Matif fell from Wednesday's close of 107.98, opening at 107.88 yesterday and dropping to 107.68 by late afternoon.

Elsewhere in Europe, German government bonds weakened during the afternoon as worries about wage talks continued to unsettle the market.

The Liffe bund futures contract opened at 87.96 and traded in a range of 87.76 to 88.00 before ending the day at around 87.86. Volume was average with about 48,000 contracts traded.

■ SPECULATION that the Bank of Japan will cut the official discount rate by between 50 and 75 basis points during the next few days pushed up Japanese government bond prices.

The market opened on a firm note, and the futures contract climbed from 102.76 to close at 102.88. The yield on the benchmark No 129 issue started at 5.35 per cent and ended at 5.345 per cent, trading in a range of 5.335 to 5.385 per cent.

Some Japanese newspapers carried reports yesterday predicting a cut in interest rates next week, from 4.5 per cent to either 3.75 per cent or 4.0 per cent. News that annualised GNP fell by 0.2 per cent in the final quarter of 1991 raised hopes of an easing in interest rates, traders said.

The Bank of Japan took the money market by surprise when it injected Y800bn in funds shortly before the close of trading, pushing the overnight unsecured call rate down to 4.5 per cent from 5⅛ per cent.

DKB to rescue ailing brokerage unit

DAI-ICHI Kangyo Bank, a leading Japanese commercial bank, has decided to provide broad support to its affiliated company, Kankaku Securities, which faces financial difficulties because of the stock market slump, AP-DJ reports from Tokyo.

Specific rescue measures, which may include low-interest loans and dispatching of bank personnel to help in administration, will be decided in consultation with Kankaku, the bank said.

Kankaku this week announced its latest earnings forecasts for the fiscal year to March 31. It predicted a pre-tax loss of Y47.5bn ($359m), one of the largest losses in the current market downturn in the industry.

FT/ISMA INTERNATIONAL BOND SERVICE

Listed are the latest international bonds for which there is an adequate secondary market. Latest prices at 6:05 pm on March 19

U.S. DOLLAR STRAIGHTS	Issued	Bid	Offer	Chg. day	Yield
ABN 9 1/8 94	200	104¼	105⅛	+⅛	6.96
ALBERTA PROVINCE 9 3/8 95	600	107	107¼	+⅛	7.08
AUSTRIA 8 1/2 00	400	103⅝	104	+⅛	7.86
BANK OF TOKYO 8 3/8 96	100	102⅜	102⅞	+⅛	7.67
BELGIUM 9 5/8 98	250	108⅝	108⅞		7.87
BFCE 7 3/4 97	150	101¼	101⅝	+½	7.44
BNP 8 5/8 94	300	104⅝	105¼	+⅛	6.32
BRITISH GAS 8 3/8 99	350	102¼	102⅝	+⅛	7.95
CANADA 9 96	1000	106⅜	106¾	+⅛	7.08
CARCO 9 1/4 96	650	101	101½	-1⅛	8.94
CCCE 9 1/4 95	300	106½	106⅞		6.74
COUNCIL EUROPE 8 96	100	101⅞	102½	-⅛	7.46
CREDIT FONCIER 9 1/2 99	300	108⅝	109¼	+⅛	7.81
DENMARK 8 1/4 94	150	103⅞	104¼		6.44
DENMARK 9 1/4 95	1571	106¼	106⅝	-⅛	6.92
ECSC 8 1/4 96	193	103⅛	103⅝		7.42
EEC 8 1/4 96	100	103	103⅝		7.39
EIB 7 3/4 96	250	101⅞	102¼	+⅛	7.21
EIB 9 1/4 97	1000	107¼	107½	+⅛	7.61
ELEC DE FRANCE 9 98	200	106⅛	106½	+⅛	7.76
EURO CRED CARD TST 9 94	325	103¼	103⅝	-⅛	7.58
EUROFIMA 9 1/4 96	100	106¼	106⅝	+⅛	7.42
EXPORT DEV CORP 9 1/2 98	150	108⅛	108⅝	+⅛	7.78
FINLAND 7 7/8 97	200	100¼	100⅝		7.80
FINNISH EXPORT 9 3/8 95	200	106¼	106⅝		7.31
FORD CAPITAL 9 3/4 97	250	104⅞	105⅜	+⅛	8.54
GEN ELEC CAPITAL 9 3/8 96	300	106½	106⅞	+⅛	7.50
GMAC 9 1/8 96	200	103⅛	103⅝		8.17
GUINNESS FINANCE 8 94	200	102⅝	103⅛	+⅛	6.65
IBM INTL FIN 7 3/4 94	200	102⅝	103	+⅛	6.35
IND BK JAPAN FIN 7 7/8 97	200	100½	101	+⅛	7.75
INTER AMER DEV 7 5/8 96	200	101½	101⅞	+⅛	7.20
ITALY 8 1/2 94	1500	105¼	105½	+⅛	6.23
JAPAN DEV BK 8 94	150	103¼	103⅝		6.33
KANSAI ELEC PWR 10 96	350	108⅜	108⅞	+⅛	7.51
LTCB FIN 8 97	200	99⅞	100⅜	+⅛	8.02
NEW ZEALAND 9 94	850	104⅞	105¼		6.74
NIPPON CRED BK 10 3/8 95	150	107⅝	108⅛	+⅛	7.65
NIPPON TEL & TEL 9 3/8 95	200	106⅛	106⅝	-⅛	6.91
ONTARIO 8 1/2 01	600	101¼	101⅝	+⅛	8.29
ONTARIO HYDRO 11 5/8 94	200	108⅞	109⅜		6.53
OSTER KONTROLLBANK 8 1/2 01	200	103⅜	103⅞	+⅛	7.96
PETRO-CANADA 7 1/4 96	200	99⅞	100¼	+½	7.31
QUEBEC HYDRO 9 3/4 98	150	107⅝	107⅞	-⅛	8.23
QUEBEC PROV 9 98	300	103⅞	104⅜	-⅛	8.16
SAINSBURY 9 1/8 96	150	104½	105	+⅛	7.88
SAS 10 99	200	104	105	-½	9.19
SBAB 9 1/2 95	500	106⅜	106¾		7.18
SNCF 9 1/2 98	150	108¼	108½	+⅛	7.81
STATE BK NSW 8 1/2 96	200	102	102⅝		7.91
SWEDISH EXPORT 8 3/8 96	700	103¼	103⅝	-⅛	9.97
TOKYO ELEC POWER 8 3/4 96	300	104¼	104⅝	-⅛	7.56
TOKYO METROPOLIS 8 1/4 96	200	103	103½		7.44
WORLD BANK 8 3/8 99	1500	104½	104⅞	+⅛	7.72
WORLD BANK 8 3/4 97	1500	106½	106⅞	+⅛	7.29
XEROX CORPN 8 3/8 96	100	100⅝	101½	+⅛	8.18

DEUTSCHE MARK STRAIGHTS	Issued	Bid	Offer	Chg. day	Yield
ABN AMRO 8 1/2 96	500	101	101¼	-⅛	8.21
AUSTRIA 6 5/8 99	750	94½	95	-⅛	7.79
BNP 8 1/4 01	200	102¼	102⅝	-⅛	7.90
DEUTSCHE FINANCE 7 1/2 95	1000	98⅝	98⅞		7.94
EIB 5 3/4 98	400	90½	90⅞	-⅛	7.87
EIB 6 1/4 99	600	91⅞	92⅛	-⅛	7.82
EUROFIMA 8 3/4 96	400	102⅞	103¼		7.98
FIRST INTERSTATE 5 3/4 96	100	87½	87½	+⅛	9.54
FORD MOTOR CREDIT 9 1/4 94	300	100⅛	100⅝		9.15
IND BK JAPAN FIN 5 5/8 96	200	91	91		8.30
INTER AMER DEV 9 00	300	106½	107	-⅛	7.93
IRELAND 6 1/2 99	300	91⅞	92⅛	+⅛	8.07
LUFTHANSA INT FIN 5 7/8 98	500	89⅝	89⅞		8.15
NAT BK HUNGARY 10 3/4 98	500	100⅛	100⅝	+⅛	10.69
SWEDEN 6 1/8 98	300	91⅛	91⅜		7.91
TURKEY 10 3/4 96	500	100⅞	101¼	-⅛	10.50
WORLD BANK 0 15	2000	19⅞	20¼	-1	7.07
WORLD BANK 5 3/4 96	300	92¼	92⅝	-½	8.14
WORLD BANK 8 3/4 00	1250	104⅜	104⅞	-⅛	7.99

SWISS FRANC STRAIGHTS	Issued	Bid	Offer	Chg. day	Yield
ASIAN DEV BANK 6 10	100	90½	91		6.92
AUSTRIA 4 5/8 98	100	89⅝	90¼	-⅛	6.85
CHUBU ELEC POWER 6 3/4 01	300	99⅜	100¼	+½	6.82
COUNCIL EUROPE 4 3/4 98	250	90	90½		6.86
EEC 5 1/2 00	100	91	92		6.91
EIB 6 1/2 98	800	99⅜	99⅞		6.54
ELEC DE FRANCE 7 1/4 06	100	103½	104½		6.85
FINLAND 5 3/8 95	150	96	96½	-⅛	6.64
GENERAL MOTORS 7 1/2 95	100	98⅝	99	+1	8.07
JAPAN DEV BK 5 1/2 94	100	96¼	96⅞	+⅛	7.69
KOBE 6 3/8 01	240	98½	99	-⅛	6.59
NEW ZEALAND 4 7/8 99	200	88½	89½		7.04
QUEBEC HYDRO 5 08	100	77½	78		7.45
WORLD BANK 5 03	150	86½	87	-½	6.87
WORLD BANK 7 01	600	102⅝	102⅞	-⅛	6.60

YEN STRAIGHTS	Issued	Bid	Offer	Chg. day	Yield
AUSTRIA 4 3/4 94	30000	99¼	99½		5.18
CREDIT FONCIER 5 1/4 94	20000	99½	100	+⅛	5.44
DENMARK 7 95	40000	104½	104⅞		5.26
EIB 4 5/8 94	40000	99⅜	99⅝		4.87
ELEC DE FRANCE 5 5/8 96	20000	100⅜	100⅞		5.52
FINLAND 6 3/4 96	50000	103⅜	103¾		5.75
INTER AMER DEV 7 1/4 00	30000	109⅝	109⅞		5.74
KANSAI ELEC PWR 4 5/8 94	60000	98⅝	98⅞		5.45
NIPPON TEL & TEL 5 7/8 96	50000	101¾	102		5.42
NORWAY 5 1/8 95	50000	99⅜	99⅞		5.26
SNCF 6 3/4 00	30000	107¼	107⅝	+⅛	5.61
SWEDEN 5 5/8 95	20000	100⅝	101⅛		5.41
WORLD BANK 6 3/4 00	50000	107⅝	108	+⅛	5.52

OTHER STRAIGHTS	Issued	Bid	Offer	Chg. day	Yield
BAYERISCHE VEREINS INT 7 94 LFr	600	94	95		9.96
COPENHAGEN TEL 8 5/8 96 LFr	600	98¼	99¼		9.17
WORLD BANK 8 96 LFr	1000	96¼	97¼		8.98
ENERGIE BEHEER 8 3/4 98 Fl	500	103	103¼	-⅛	8.13
UNILEVER 9 00 Fl	500	104⅞	105⅜	-⅛	8.18
ALBERTA PROVINCE 10 5/8 96 C$	500	103¼	103⅞		9.58
BELL CANADA 10 5/8 99 C$	150	103⅛	103⅝	-⅛	9.93
BRITISH COLUMBIA 10 96 C$	500	101½	101⅞		9.53
EIB 10 1/8 98 C$	130	103	104		9.44
ELEC DE FRANCE 9 3/4 99 C$	275	100⅞	101⅛	-⅛	9.58
FORD CREDIT CANADA 10 94 C$	100	99¼	100¼	-⅛	10.31
GEN ELEC CAPITAL 10 96 C$	500	101½	102		9.53
KFW INT FIN 10 01 C$	400	101⅝	102¼	-⅛	9.72
NIPPON TEL & TEL 10 1/4 94 C$	200	102¼	102⅝	-⅛	9.82
ONTARIO HYDRO 10 7/8 99 C$	500	104	104½	-⅛	10.05
OSTER KONTROLLBANK 10 1/4 99 C$	150	102⅞	103⅜	-⅛	9.66
QUEBEC PROV 10 1/2 98 C$	200	102¼	102⅞		10.03
BELGIUM 9 1/8 96 Ecu	1250	101½	101⅞	-⅛	8.66
CREDIT LYONNAIS 9 96 Ecu	125	98⅝	99⅛	-⅛	9.40
DENMARK 7 5/8 96 Ecu	250	93⅞	94⅜	-½	9.49
EEC 7 5/8 94 Ecu	200	97	97½		9.38
EIB 10 97 Ecu	1125	106¼	106½	-⅛	8.38
FERRO DEL STAT 10 1/8 98 Ecu	500	105¼	105⅝	-⅛	8.91
ITALY 10 3/4 00 Ecu	1000	110¼	110⅝	-⅛	8.83
UNITED KINGDOM 9 1/8 01 Ecu	2750	103¼	103⅝	-⅛	8.58
BP AMERICA 12 1/4 96 A$	100	106⅝	107¼	+⅛	10.13
COMM BK AUSTRALIA 13 3/4 99 A$	100	114⅛	114⅝		10.82
EKSPORTFINANS 12 3/8 95 A$	75	106⅞	107¼	+⅛	9.78
EUROFIMA 14 5/8 94 A$	75	109⅞	110⅜		9.28
MCDONALDS CANADA 15 95 A$	100	112½	113		10.26
NAT AUSTRALIA BANK 14 3/4 94 A$	150	109	109½	-⅛	9.34
STATE BK NSW 14 1/4 99 A$	100	115	115⅝	-⅛	11.16
UNILEVER AUSTRALIA 12 98 A$	150	106½	106⅞	+⅛	10.49
VOLKSWAGEN INTL 15 94 A$	100	109⅞	110⅜		9.53
ABBEY NATL TREAS 13 3/8 95 £	100	106⅛	106⅝	+⅛	10.72
ALLIANCE & LEICS 11 3/8 97 £	100	101	101⅜	-⅛	11.09
BRITISH GAS 12 3/4 95 £	300	105⅛	105⅝		10.58
BRITISH LAND 12 1/2 16 £	150	105¼	106⅛	+⅛	12.19
DEUTSCHE BK FIN 11 94 £	225	100⅞	101¼		10.48
EIB 10 97 £	536.5	99½	99⅞		10.12
FINLAND 10 1/8 97 £	100	99⅜	99⅞		10.29
ITALY 10 1/2 14 £	400	101	101½	-⅛	10.38
LAND SECS 9 1/2 07 £	200	86¼	87¼	-⅛	11.37
NORWAY 10 1/2 94 £	200	100	100½		10.47
ONTARIO 11 1/8 01 £	100	103⅛	103⅞	-⅛	10.51
SEVERN TRENT 11 1/2 99 £	150	101⅞	102¼	-⅛	11.09
SKANDINAVISKA ENSK 13 1/8 95 £	100	105⅝	106	+⅛	10.88
TOKYO ELEC POWER 11 01 £	150	103½	103⅞	-⅛	10.38
WORLD BANK 11 1/4 95 £	100	102⅛	102⅝	+⅛	10.40
ABBEY NATIONAL 0 96 NZ$	100	66	67	-⅛	9.58
BNP 12 96 NZ$	50	109	110	+⅛	9.24
CEPME 10 95 FFr	2000	102	102⅝	-⅛	9.23
ELF-AQUITAINE 9 99 FFr	600	99½	100	-⅛	9.08
EURATOM 7 5/8 98 FFr	500	93⅞		+½	8.93

FLOATING RATE NOTES	Issued	Bid	Offer	C.cpn
ALLIANCE & LEICS 0.08 94 £	300	99.53	99.63	10.7675
BANCO ROMA 0.03 01	200	93.25	95.00	4.4050
BELGIUM 1/16 97 DM	500	99.96	100.06	9.6875
BFCE -0.02 96	350	100.21	100.31	4.9175
BNP 05	300	97.75	98.50	5.5625
BRITANNIA 1/10 96 £	150	99.03	99.23	10.7875
CCCE 06 ECU	200	99.91	100.01	9.8594
CITIZENS FED 0.15 96	100	99.55	99.95	5.0000
CREDIT FONCIER -1/16 98	200	100.09	100.21	5.3438
DENMARK -1/8 96	1000	99.81	99.91	4.1875
DRESDNER FINANCE 1/32 98 DM	1000	99.94	100.03	9.5938
ELEC DE FRANCE 1/8 99	400	101.25	102.00	5.2500
FERRO DEL STAT 94	200	101.04	101.32	4.4375
HALIFAX 1/10 94 £	200	99.92	100.03	10.5375
IRELAND 98	300	99.68	99.78	4.4600
ITALY 00	500	100.98	101.25	4.5000
LEEDS PERMANENT 1/8 96 £	200	99.37	99.54	11.0000
LLOYDS BANK 1/10 PERP S.3	600	79.00	81.00	4.5375
MITSUI FIN ASIA 1/8 96	100	99.98	100.08	5.2500
NAT WEST FIN 3/16 05	400	93.00	94.25	5.5000
NEW ZEALAND 1/8 96	250	100.28	100.38	4.8130
RENFE 98	500	100.06	100.16	5.0000
SOCIETE GENERALE 96	300	99.77	99.86	4.5625
STATE BK VICTORIA 0.05 99	125	98.65	98.90	4.3625
UNITED KINGDOM -1/8 96	4000	99.99	100.03	4.2500
YORKSHIRE BS 1/10 94 £	165	99.58	99.68	10.5375

CONVERTIBLE BONDS	Issued	Conv. price	Bid	Offer	Prem.
BURTON GROUP 4 3/4 01 £	110	2.38	129⅞	131½	
CHUBB CAPITAL 6 98	250	66	102½	103¼	+31.58
EASTMAN KODAK 6 3/8 01	300	50.67	99⅜	100⅜	+25.18
GOLD KALGOORLIE 7 1/2 00	65	1.0554	82⅞	83⅞	+48.68
HANSON 9 1/2 06 £	500	2.5875	101½	102⅛	+18.30
HAWLEY 6 02 PREF	400	19.1	97⅛	99⅛	
HILLSDOWN 4 1/2 02 £	150	3.97	117⅝	118½	
LAND SECS 6 3/4 02 £	84	6.72	78⅝	79⅝	+30.78
LASMO 7 3/4 05 £	90	5.64	75⅛	76⅛	
MITSUI BANK 2 5/8 03	200	2337½	62	63½	+27.60
MOUNT ISA FIN 6 1/2 97	100	2.283	95¼	96¼	+15.02
OGDEN 6 02	85	39.077	81⅛	82⅛	+41.98
SEGA ENTERPRISES 3 1/2 96	200	13018	102⅞	103⅞	+10.68
SMITH & NEPHEW 4 02 £	90	1.775	121¼	122¼	+52.10
SUMITOMO BANK 3 1/8 04	300	3606.9	64	65	+37.00
TEXAS INSTRUMENTS 2 3/4 02	300	82⅞	90	91	
THORN EMI 5 3/4 04 £	103	7.16	121½	122½	+15.22

* No information available - previous day's price
‡ Only one market maker supplied a price

STRAIGHT BONDS: The yield is the yield to redemption of the bid-price: the amount issued is in millions of currency units. Chg. day = Change on day.
FLOATING RATE NOTES: Denominated in dollars unless otherwise indicated. Coupon shown is minimum. Spread = Margin above six-month offered rate (three-month $above mean rate) for US dollars. C.cpn = The current coupon.
CONVERTIBLE BONDS: Denominated in dollars unless otherwise indicated. Cnv. price = Nominal amount of bond per share expressed in currency of share at conversion rate fixed at issue. Prem = Percentage premium of the current effective price of acquiring shares via the bond over the most recent price of the shares.

Data supplied by International Securities Market Association.

Four NY exchanges agree to join Globex

By Barbara Durr in Boca Raton

THE Chicago Board of Trade and the Chicago Mercantile Exchange have won an agreement in principle from four New York commodities exchanges to join as partners in the Globex system.

Globex is the international, after-hours electronic trading system that the two Chicago exchanges are developing with Reuters.

The Coffee, Sugar and Cocoa Exchange, the Commodity Exchange, the New York Futures Exchange and the New York Cotton Exchange said they would affiliate with Globex "subject to resolution of certain outstanding issues and approvals by their boards and the boards of the CBOT and the CME," according to the announcement made by Mr Leo Melamed, chairman of Globex, at the annual Futures Industry Association meeting in Boca Raton, Florida.

Mr Melamed said he could not detail the issues to be ironed out, but contended that these were "resolvable".

The Matif, the Paris futures exchange, is the only international exchange currently a partner in Globex.

Acknowledging the long delays in the launch of Globex, Mr Melamed said: "It's taken longer than anyone anticipated." He could not name a precise date for the system to start up, but said it would be operational some time later this year. He was less sanguine about its immediate success, saying: "It'll take many years".

The New York Mercantile Exchange, the world's largest energy market and the largest of the five New York exchanges, decided last year to develop its own electronic trading system, in co-operation with AT&T, which is known as Access.

Nymex, which once had been interested in joining Globex, will also part ways physically with its four New York neighbours, with which *it shares a single cramped* trading floor.

All five had been planning to build a new facility together and possibly merge until Nymex chose last year to go it alone. This latest decision on Globex by the other four will further separate the New York markets.

Czechs to sell $360m of T-bills

By Ariane Genillard *in Prague*

THE government of the Czech republic yesterday launched only its second issue of securities since the overthrow of communism two years ago, with Kcs11bn ($360m) of Treasury bills to be sold to domestic buyers.

The paper has a maturity period of two months and a yield of 9.6 per cent.

One month ago, both the federal and the Czech government issued 30-day Treasury bills with a yield of 12.3 per cent and 10.6 per cent respectively. The federal issue was worth Kcs3bn and the Czech issue amounted to Kcs10bn

The decline in the yield of Czech Treasury bills, despite the longer maturity periods, represents a fall in short-term interest rates which coincides with a lower inflation rate.

The inflation rate in 1991 reached 58 per cent, but sharp rises were mostly recorded in the six months following the one-off price liberalisation of *January 1991*.

On a monthly basis, inflation was near zero throughout last summer and picked up slightly in the autumn due to food price rises.

Inflation in February increased by 0.5 per cent over January, which itself recorded a 1 per cent rise on December. The Czechoslovak central bank said yesterday it expected 1992 inflation to be around 12 per cent.

Treasury bills are new financial instruments on the Czechoslovak market. There is no outstanding long-term government debt in local currency in the country.

Coles Myer to raise A$300m

COLES MYER, Australia's biggest retailer, said it would raise at least A$300m (US$229m) through a one-for-50 renounceable rights issue of converting preference shares, Reuter reports from Melbourne.

Coles Myer will issue A$12m non-redeemable non-cumulative converting preference shares at A$25 each.

Mr Solomon Lew, chairman, said that funds raised from the issue would be used to strengthen the company's capital base and reduce its gearing ratio.

INTERNATIONAL CAPITAL MARKETS

New paper adds to Ecu market's disappointment

By Tracy Corrigan

THE Ecu bond market, which has performed disappointingly for most of this year, is facing an overhang of paper after further supply of new issues yesterday was added to Denmark's Ecu1bn 10-year domestic offering launched on Wednesday.

Dealers reported some selling of the Danish deal yesterday, which had not been fully placed. The price fell to 98.93, *below the fixed reoffer level of* 99.27, after the syndicate was broken.

The decline was roughly in line with the rest of the market, although the spread widened a little from six to seven basis points above the 10-year French government OAT issue.

Some dealers felt that the *performance was disappointing*, considering the long build-up to the transaction, while others said that the deal had done as well as could be expected, given lacklustre market conditions.

Yesterday, two French borrowers added to the existing supply of five-year paper. Supply has been concentrated at the *five-year area of the yield* curve due to an improvement in swap spreads at that maturity as a result of an issue of CTE's – Italian domestic Ecu bonds – by the Italian government.

INTERNATIONAL BONDS

Crédit Local de France launched an Ecu225m deal, which will be added to an existing Ecu500m offering, while Caisse Centrale de Co-operation Economique (CCCE) brought an Ecu200m offering. The Crédit Local deal was swapped into floating rate dollars, while the CCCE deal was swapped into a mixture of *fixed- and floating-rate French* francs and Ecu.

Both deals were considered fairly priced, to yield 8.74 per cent and 8.67 per cent respectively, but are likely to take some time to place due to poor market conditions and poor investor demand.

The Crédit Local deal is expected to appeal to mainly *institutional investors who prefer* large transactions, while CCCE borrows infrequently, so its triple-A rating has some added rarity value. However, the deal is not likely to be very actively traded once it is placed.

Also in the Ecu market, Bank of Greece launched an Ecu200m offering of floating-rate notes, Greece's first such issue, although the central *bank has previously issued* fixed-rate Ecu in the international markets, and has a domestic programme of both fixed- and floating-rate debt.

In the Australian dollar sector, State Bank of New South Wales launched a A$100m seven-year deal via Deutsche Bank, while General Electric Capital Australia launched a *smaller A$75m deal due 1997* via Hambros Bank. Although there is a fairly heavy level of maturing debt in the sector this year – with A$1.5bn of Eurobonds redeemed this month – dealers report a disappointing level of reinvestment by investors. However, some fresh funds are going into the market.

NEW INTERNATIONAL BOND ISSUES

Borrower	Amount m.	Coupon %	Price	Maturity	Fees	Book runner
ECU						
Credit Local de France.(c)†	225	8½	100.675	1997	1⅞	Crdt.Comm.de France.
Bank of Greece.(b)‡†	200	(b)	100	1997	-	UBS Phillips & Drew
Cse.Cent.De Cooperation Ec (a)†	200	8⅝	101.445	1997	1⅞/1¼	Credit Lyonnais
AUSTRALIAN DOLLARS						
Ste.Bk.of New South Wales(a)†	100	10½	101	1999	2/1⅜	Deutsche Bk Cap.Mkts.
Gen.Elec.Cap Australia.(a)†	75	10	101.40	1997	2/1½	Hambros Bank

**Private placement. §Convertible. ♦With equity warrants. ‡Floating rate note. †Final terms. a) Non-callable. b) Coupon pays ⅞ above 3 months Libor. Non-callable. c) Fungible with an existing Ecu 500m issue .

ROC Taiwan Fund makes equity offer

THE ROC Taiwan Fund, a closed-end investment company listed on the New York Stock Exchange and one of several quoted funds to invest in the Taiwan stock market, is launching an international equity offering which could raise $45m in new money, writes Sara Webb.

The ROC Taiwan Fund plans to increase the number of its shares from 25m to 29m by offering 2m shares in North America and a further 2m to international investors.

The shares have currently been trading at around $11⅛ with a premium of about 17 per cent to the net asset value (NAV), according to Credit Suisse First Boston, the lead manager for the international tranche. First Boston Corporation *is lead manager for the* North American part of the issue. The shares will be priced at the beginning of April.

Taiwan's central bank said earlier this year that it would restrict the flow of equity investment funds into the island, much to the annoyance of Taiwan fund managers. The central bank has delayed the approval of remittances of funds by foreign firms investing in Taiwanese *stocks because of concern* about the appreciation of the Taiwan dollar against the US dollar.

French plan relaunch of second-tier market

By Alice Rawsthorn in Paris

THE French stock market authorities are *formulating* plans to relaunch the Second *Marché, or second-tier market,* for companies too small or too young to be quoted on the main stock market.

Mr Pierre Fleuriot, director-general of the Commission des Opérations de Bourse (COB), and Mr Jean-François Théodore, president of the Société des Bourses Françaises, yesterday announced *the formation of a* working party to identify ways of trying to revitalise the market.

The Second Marché, which was launched in 1983 to offer a French counterpart to other junior markets such as the Unlisted Securities Market in the UK, now has 293 companies quoted on it.

Nearly 400 companies have joined the market since its inception, with 30 firms "graduating" to the main *market and two – Canal Plus,* the pay-TV group, and Cap Gemini Sogeti, the computer services company – joining the CAC 40 Index of France's larger companies.

However, the Second Marché, like its counterpart in the UK, has been struggling since the stock market crash in the autumn of 1987.

The flow of new issues has slowed, with just 11 new companies joining the market in 1991 compared with 90 in 1987.

The volume of trading has also fallen from 64.4bn shares in 1984 to just 27.1bn last year.

As a result, the COB and the SBF have decided the time has come to try to revive the market. Mr Fleuriot yesterday identified four key areas for the working party – which will include members of the COB and SBF – to examine.

These include the marketing of the Second Marché, adapting the method of quotation to meet the needs of smaller companies and reviewing the role of intermediaries such as banks and brokers.

Italians chase a futures fast track

Haig Simonian on plans for introducing a derivatives market

HAVING successfully revived its government bond market with a screen-based trading system in 1988, Italy's regulators are now trying to do the same with futures.

According to the Italian Treasury, a new domestic market for government bond futures should be ready by July. If it opens in time, the Italians will justly be able to claim to have created one of the world's fastest-developed derivatives markets. A first hurdle will come at next *week's annual meeting of the* roughly 300 participants in the existing cash market, who will decide whether to back the new venture.

Regulators, Treasury *officials* and a sprinkling of bankers are now pressing ahead with finalising the rules for the new project. Turnover in the cash market for Italian government securities has soared since the arrival of screen-based trading, which bolstered liquidity just as international investors began to turn to Italian bonds on account of their relatively high interest rates at a time of limited exchange rate risk under the European Monetary System.

The growing appeal of Italian bonds was enough to persuade two derivatives markets, the London International Financial Futures Exchange (Liffe) and the Matif, the Paris-based exchange, to launch futures contracts on Italian bonds last year.

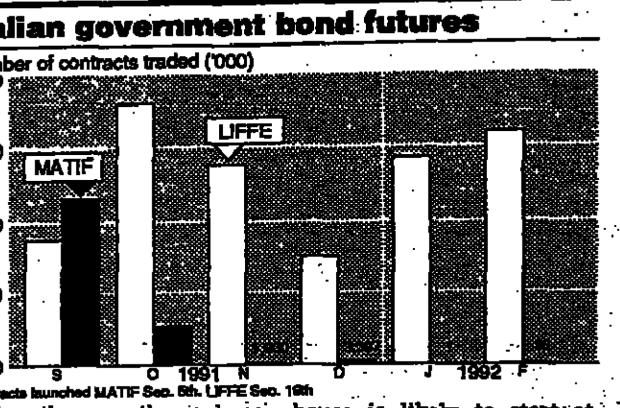
Trading at Matif has dwindled, but Liffe's Italian bond future has become one of its fastest-growing products, with more than 800,000 contracts changing hands since last September's launch. The Liffe contract, now supplemented by an option, "has filled the gap in the market for a suitable hedging instrument on Italian government paper," says one dealer.

The Italian authorities, headed by the Treasury and the Bank of Italy, now want to repeat Liffe's success at home. Officials argue that as the cash market for government paper is based in Italy, domestic demand for futures should be strong, too. Chauvinism has sometimes fuelled the calls for a domestic venture.

But most bankers would balk at the idea of creating a new exchange in little more than a year. Even European neighbours like Switzerland and Germany, which set up derivatives markets in the late 1980s, found their projects much more time-consuming than expected.

However, the Italian approach to the problem differs markedly from most others.

Italian government bond futures



Contracts launched MATIF Sep. 5th. LIFFE Sep. 19th

Rather than creating a large public exchange from scratch, futures trading in Italy is to be an adjunct of the existing *screen-based cash market.*

That should allow Italian banks to avoid some of the work required in Switzerland and Germany. The Italians' venture will be based on the technology already used for cash bond trading. By embarking on a less ambitious project from the start it may be possible to get going more quickly.

The timing will be accelerated by the decision to use foreign specialists on two crucial elements of the new venture. *Software for futures trading is* being developed by STM, a Canadian specialist which wrote the software for the existing cash market in bonds. *And ICCH Financial Markets,* part of the UK-based clearing group, will supply software for clearing.

Meanwhile, the Italian authorities have been free to concentrate on legal and regulatory points. A ministerial decree in mid-February set out the legal framework for the new market, which resembles that already in use for the cash market. Working groups are now drawing up rules for operating and trading bond futures, along with precise definitions for the clearing house which will be set up alongside the futures market.

It is already clear that the clearing house will be a joint stock company, in which all but one of the 25 existing "primary dealers" will probably be the initial shareholders. The exception, J.P. Morgan, may be prevented from taking a stake on account of US regulatory requirements.

The capital for the clearing house is likely to start at around L50bn, rising to about double that once the system is functioning. There will be *various categories of membership;* the two most important being "general" members, which will need to have around L100bn in capital and will be allowed to clear for themselves and third parties; and "individual" members, with a capital requirement of around L20bn, which will be authorised to clear only their own contracts and those of clients.

Next week's meeting of the participants in the screen-based cash market should provide the first indication of how many banks and brokers want to trade futures. Under last year's reform of Italy's securities markets, at least 30 participants are needed, five of them *market-makers, for the project* to go ahead.

Bankers doubt there will be any problem raising the requisite numbers. "Many already want to take part from now," says one expert involved in the discussions. The Italian Bankers' Association, which is also involved in the project, is thought to have received at least 100 expressions of strong interest.

But, for the new market to open on time, progress must still be made on certain key points. Those include drawing up contract specifications and overcoming technological problems in making sure the software *for trading and clearing* futures works on the cash market's existing system.

Discussions on contract specification, are "at an advanced *stage of reflection*", says one official. It is widely expected that first contract will involve a notional 10-year bond, similar to that on Liffe. However, no details have been released as to contract size or the range of bonds suitable for delivery. "Decisions on which bonds can be delivered will be taken very close to the starting date of the project," says one expert.

So far, the plans appear to be on schedule. Preparation of the software is believed to be going well. The risk of delays on the *clearing side is limited by the* fact that the new market is taking on software already in use in Belgium and at a number of exchanges in Japan, according to ICCH.

However, with so much of the debate taking place behind closed doors, precise progress is hard to judge. Some bankers *involved warn of slippage* because of possible technical hitches when it comes to running the new software on the existing system. "Creating the right interfaces could still take time," says one consultant.

There is also some unease that precise rules for the clearing house are still not ready, despite original hopes to have matters settled and the operation established by the end of last year. "There are still a lot of loose ends," says one banker.

Although the project is being co-ordinated by the Bank of Italy, some participants also fear the timetable could slip owing to the fact that *responsibilities are divided between a* number of regulatory and trade agencies, with no single organisation cracking the whip. "These processes need to be managed. If they're not managed, they tend to get derailed," says one specialist with experience of setting up new futures and options markets.

"So far, there is no reason to expect delays," says an official from the bankers' association. He points out that the first training courses for dealers are due to begin later this month. With the new venture scheduled to start in mid-year, that is barely a moment too soon.

LONDON MARKET STATISTICS

FT-ACTUARIES SHARE INDICES

© The Financial Times Ltd 1992. Compiled by the Financial Times Ltd in conjunction with the Institute of Actuaries and the Faculty of Actuaries

	EQUITY GROUPS & SUB-SECTIONS (Figures in parentheses show number of stocks per section)	Thursday March 19 1992 Index No.	Day's Change %	Est. Earnings Yield% (Max.)	Gross Div. Yield% (Act at (25%))	Est. P/E Ratio (Net)	xd adj. 1992 to date	Wed Mar 18 Index No.	Tue Mar 17 Index No.	Mon Mar 16 Index No.	Year ago (approx) Index No.
1	CAPITAL GOODS (178)	792.73	+0.4	7.99	6.02	16.28	2.55	789.42	798.25	791.43	879.53
2	Building Materials (23)	944.72	+0.9	7.33	6.57	18.40	0.99	936.25	952.09	947.43	1141.09
3	Contracting, Construction (28)	881.89	+0.7	8.71	8.17	16.59	2.12	876.14	890.87	876.33	1406.63
4	Electricals (7)	2433.02	...	8.00	6.16	16.49	1.47	2432.80	2462.51	2454.44	2442.92
5	Electronics (26)	1823.63	+0.1	9.94	4.70	12.75	2.20	1822.44	1841.61	1812.99	1866.57
6	Engineering-Aerospace (8)	343.14	+1.7	9.87	7.57	13.19	9.52	337.50	340.57	338.37	453.08
7	Engineering-General (43)	494.75	+0.1	9.11	4.77	13.57	1.21	494.06	498.50	494.77	466.85
8	Metals and Metal Forming (10)	337.51	+0.6	2.05	10.14	–	0.00	335.51	335.04	329.17	487.57
9	Motors (14)	318.40	...	7.43	7.38	18.40	2.90	318.30	316.22	316.33	355.00
10	Other Industrial Materials (19)	1594.91	+0.2	7.46	5.20	16.35	1.08	1591.55	1613.03	1601.02	1568.84
21	CONSUMER GROUP (187)	1610.44	–0.3	7.45	3.50	16.44	5.83	1614.55	1628.39	1621.71	1423.92
22	Brewers and Distillers (23)	2013.69	–1.0	8.02	3.60	15.01	7.92	2033.39	2047.44	2034.98	1757.40
25	Food Manufacturing (18)	1242.04	+0.1	8.85	4.20	14.01	5.59	1240.53	1254.33	1246.65	1182.60
26	Food Retailing (18)	2552.41	+0.4	8.64	3.28	15.04	4.06	2541.28	2574.61	2554.95	2667.06
27	Health and Household (24)	4138.43	–0.4	6.51	2.52	17.43	19.73	4153.76	4162.60	4177.03	3083.48
29	Hotels and Leisure (21)	1276.20	+0.1	7.04	5.35	18.06	8.54	1274.88	1292.85	1237.16	1386.54
30	Media (24)	1507.66	+0.6	6.34	3.64	19.90	2.97	1498.69	1522.21	1511.67	1457.97
31	Packaging, Paper & Printing (17)	753.51	+1.6	7.52	4.46	15.63	0.31	741.79	745.15	742.04	651.76
34	Stores (32)	1018.43	–0.9	7.26	3.55	18.24	1.91	1027.85	1040.75	1030.95	890.78
35	Textiles (10)	647.95	–0.2	7.08	4.80	18.02	2.69	649.57	653.38	650.00	540.12
40	OTHER GROUPS (117)	1185.19	+0.2	10.24	5.59	12.29	8.87	1183.21	1195.82	1185.69	1197.52
41	Business Services (16)	1332.02	+0.1	7.15	4.90	17.76	0.27	1330.87	1354.40	1344.07	1182.47
42	Chemicals (22)	1442.52	–0.5	7.27	5.07	16.83	20.02	1449.95	1460.38	1449.52	1241.93
43	Conglomerates (11)	1351.07	+0.8	10.55	7.49	11.57	3.18	1340.00	1349.88	1319.80	1581.43
44	Transport (14)	2333.25	+0.5	5.44	4.86	24.28	2.93	2322.70	2348.01	2327.80	2191.50
45	Electricity (16)	1116.31	–0.4	15.74	6.66	8.29	17.21	1120.40	1143.98	1138.99	1144.72
46	Telephone Networks (4)	1337.60	–1.0	11.72	4.69	11.14	16.02	1350.43	1360.06	1352.96	1394.77
47	Water (10)	2252.30	+0.4	18.94	7.06	5.82	0.00	2242.75	2315.81	2299.49	2458.20
48	Miscellaneous (24)	1858.82	+2.6	6.52	5.31	20.22	1.26	1810.95	1813.83	1820.11	1890.18
49	INDUSTRIAL GROUP (482)	1270.15	....	8.41	4.60	14.87	6.01	1270.19	1282.49	1274.48	1224.08
51	Oil & Gas (18)	2015.76	–0.1	9.26	7.05	14.24	36.07	2017.04	2032.18	2024.06	2392.79
59	500 SHARE INDEX (500)	1339.72	.....	8.50	4.86	14.80	6.20	1339.85	1352.51	1344.38	1323.12
61	FINANCIAL GROUP (86)	694.09	+0.7	–	6.51	–	9.78	689.08	700.31	688.54	835.71
62	Banks (9)	878.70	+1.4	4.59	6.21	46.61	21.90	866.97	881.03	868.94	907.30
65	Insurance (Life) (6)	1398.80	–0.3	–	6.21	–	0.00	1403.56	1419.91	1417.63	1541.03
66	Insurance (Composite) (7)	441.32	+2.2	–	7.88	–	3.67	431.71	439.54	441.46	711.54
67	Insurance (Brokers) (10)	959.56	–1.7	8.09	6.98	16.28	12.58	976.30	990.74	985.49	1164.79
68	Merchant Banks (7)	440.67	–1.0	–	4.71	–	2.26	445.30	447.70	449.35	434.14
69	Property (33)	681.60	+0.1	8.44	6.66	16.22	0.93	681.14	695.61	698.78	1070.47
70	Other Financial (14)	235.80	–0.4	8.47	7.40	15.51	1.38	236.72	239.97	238.33	293.52
71	Investment Trusts (68)	1169.35	+0.4	–	3.79	–	7.30	1165.10	1169.96	1162.56	1201.15
99	ALL-SHARE INDEX (654)	1186.78	+0.1	–	5.02	–	8.36	1185.78	1197.76	1189.05	1203.48

	Index No	Day's Change	Day's High (a)	Day's Low (b)	Mar 18	Mar 17	Mar 16	Mar 13	Mar 12	Year ago
FT-SE 100 SHARE INDEX‡	2467.6	+2.9	2478.1	2454.9	2464.7	2491.2	2470.7	2476.0	2493.3	2474.8

FIXED INTEREST

	PRICE INDICES	Thu Mar 19	Day's change %	Wed Mar 18	Accrued Interest	xd adj. 1992 to date
	British Government					
1	Up to 5 years (27)	121.32	–0.02	121.34	2.27	2.13
2	5-15 years (25)	132.87	–0.21	133.47	1.59	3.87
3	Over 15 years (9)	141.97	–0.32	142.42	1.57	2.78
4	Irredeemables (6)	158.10	–0.11	158.27	2.91	1.50
5	All stocks (67)	131.68	–0.15	132.05	1.89	3.17
	Index-Linked					
6	Up to 5 years (2)	169.80	–0.07	169.92	0.34	1.37
7	Over 5 years (9)	145.60	–0.17	145.86	0.59	1.20
8	All stocks (11)	147.81	–0.16	148.04	0.56	1.21
9	Debs & Loans (62)	116.21	–0.23	116.48	2.42	2.39

	AVERAGE GROSS REDEMPTION YIELDS		Thu Mar 19	Wed Mar 18	Year ago (approx.)
	British Government				
1	Low	5 years	9.17	9.28	9.39
2	Coupons	15 years	9.55	9.52	9.66
3	(0%-7¾%)	20 years	9.55	9.52	9.82
4	Medium	5 years	9.94	9.91	10.19
5	Coupons	15 years	9.66	9.61	10.07
6	(8%-10¾%)	20 years	9.60	9.56	10.01
7	High	5 years	10.17	10.14	10.34
8	Coupons	15 years	9.79	9.74	10.25
9	(11%-)	20 years	9.70	9.66	10.18
10	Irredeemables†		9.73	9.72	10.04
	Index-Linked				
11	Inflation rate 5%	Up to 5yrs.	3.72	3.70	3.68
12	Inflation rate 5%	Over 5 yrs	4.50	4.48	4.19
13	Inflation rate 10%	Up to 5 yrs.	3.10	3.08	2.35
14	Inflation rate 10%	Over 5 yrs	4.33	4.32	4.02
15	Debs &	5 years	11.15	11.13	11.86
16	Loans	15 years	10.86	10.84	11.63
17		25 years	10.70	10.67	11.44

‡Opening index 2468.5; 9 am 2466.5; 10 am 2478.0; 11 am 2471.9; Noon 2459.6; 1 pm 2456.7; 2 pm 2461.5; 2.30 pm 2461.3; 3 pm 2461.4; 4.10 pm 2465.6; (a) 10.05am (b) 12.29pm † Flat yield. Highs and lows record, base dates, values and constituent changes are published in Saturday issues. A list of constituents is available from the Publishers, The Financial Times, Number One, Southwark Bridge, London SE1 9HL. The FT-ACTUARIES SHARE INDICES SERVICE covers a range of electronic and paper-based products relating to these indices. These are available by subscription from FINSTAT, 2nd Floor, 126 Jermyn Street, London SW1Y 4UJ. Tel: 071-925 2323. CONSTITUENT CHANGES: ADDITION: Park Food Group (26). DELETION: Pickwick Group (29).

RISES AND FALLS YESTERDAY

	Rises	Falls	Same
British Funds	1	63	16
Other Fixed Interest	1	5	11
Commercial, Industrial	228	290	951
Financial & Property	104	119	563
Oil & Gas	18	17	52
Plantations	0	0	9
Mines	41	18	89
Others	53	30	56
Totals	446	542	1,747

LONDON RECENT ISSUES

EQUITIES

[illegible]

FIXED INTEREST STOCKS

[illegible]

RIGHTS OFFERS

[illegible]

... Dividend and yield based on prospectus or other official estimates for 1992. Q Gross. R Forecast annualised dividend, cover and p/e ratio based on prospectus or other official estimates. W Pro Forma figures. ‡ Offered to holders of ordinary shares as a "rights". † Introduction. ¶ Placing price. †† Reintroduction. ‡ Unlisted securities market. ♦ Issued in connection with reorganisation, merger or takeover. pm Price at a premium.

TRADITIONAL OPTIONS

- First Dealings March 16
- Last Dealings March 27
- Last Declarations June 25
- For settlement July 6

3-month call rate indications are shown on this page.

Calls in ASDA, Berisford Intl., Dowty, B. Elliott, NSM, Premier Cons., Proteus Intl., Smith & Nephew, Tarmac, Tullow Oil and Utd. Energy. Puts in ADT, BET and Lonrho. Put and call in Conroy Petrim.

LONDON TRADED OPTIONS

[illegible]

TRADITIONAL OPTION 3-month call rates

■ INDUSTRIALS	p	Charter Cons.	37	Ladbroke	17	Sears	8	■ OILS	
Allied-Lyons	49	Comm Union	32	Legal & Gen	27	SmKl Bchm A	65	Aviva Pet	30
Amstrad	5½	Courtaulds	39	Lex Service	16	TI	48	BP	21
Astec (BSR)	3	Eurotunnel	34	Lloyds Bank	29	TSB	9½	Burmah Castrol	38
BAT Inds	50	FKI	5½	Lonrho	15	Tesco	19	Conroy Pet	8
BOC	49	FNFC	6	Lucas Inds	10½	Thorn EMI	58	Gaelic Res	½
BTR	32	Forte	18	Marks Spencer	24	T & N	11½	Premier Cons	2½
Barclays	30	GKN	26	Midland Bank	19	Unilever	70	Shell	33
Blue Circle	20	Gen Accident	31	NatWest Bank	23	Vickers	12	Tuskar Res	½
Boots	33	GEC	15	P & O Dfd	30	Wellcome	72	■ MINES	
Bowater	58	Glaxo	59	Racal Elect	5	■ PROPERTY		RTZ	42
Brit Aerospace	30	Grand Met	70	RHM	16	Brit Land	18		
British Steel	6	GRE	10	Rank Org	52	Land Sec.	32		
Brit Telecom	24	Hanson	16	Ratners	3	MEPC	26		
Cadburys	33	ICI	90	Reed Intl	39	Mountleigh	1½		

Figures short of expectations as falling paper prices take their toll

Arjo Wiggins declines to £231.5m

By Paul Abrahams

ARJO Wiggins Appleton, the Franco-British pulp and paper group, yesterday reported pre-tax profits down 10.8 per cent from £259.6m to £231.5m for the year to December 31.

Mr Cob Stenham, chairman, said the result was strong given market conditions and that the underlying strengths of the new group, formed by the merger in 1990 of Arjomari-Prioux and Wiggins Teape Appleton, had become apparent.

However, the results, compared with non-statutory pro forma results of the enlarged group in 1990, were below analysts expectations. Although sales volumes increased 3 per cent, group turnover was down 4 per cent from £2.6bn to £2.49bn reflecting weak prices. However, the shares rose 13p to 241p.

Most of the profits fall was caused by a £26m decline at the Iberian forestry and pulp operations. A new paper machine at the Iberian Soporcel subsidiary came on stream at a time when demand and prices were already weak, said Mr Stephen Walls, chief executive.

Pulp prices had fallen by a third over the past 12 months, he added.

The new Soporcel machine would adversely affect results in 1992, he said. In January, AWA broke off negotiations with South-Africa-based Mondi Paper, part of the Anglo-American group, for the sale of its 42.86 per cent stake in Soporcel.

The group's worldwide forestry and pulp operations fell into a £9.4m loss compared with a profit of £5.7m last year.

The group's results were also affected by poor paper demand throughout Europe, said Mr Walls. Demand in Germany and France had slowed, while the UK and Scandinavia remained locked in recession. Profits from the European paper operations fell 5.2 per cent from £141.6m to £134.1m.

However, the North American paper operations performed extremely well, said Mr Walls, with profits up 12 per cent from £92.6m to £104.2m.

The paper merchanting operations reported a 33 per cent fall in profits from £26.8m to £17.9m, a result described by Mr Walls as commendable.

The benefits of the merger had been greater than expected, said Mr Walls. He forecast savings of £15m this year and £25m next. A provision of £17.1m has been added to the original £43.2m put aside to cover the rationalisation of the group following the merger.

The outlook was dependent upon an upturn in the world economy, said Mr Walls. The sector was not out of the woods of overcapacity and low prices. Pulp prices had started to increase, but paper prices had a long way to go until he would feel comfortable. There also was still a continuing problem of poor demand, he said.

Earnings per share were 18p (21.5p). The recommended final dividend is again 5.05p, maintaining the total at 8.35p for the year.

● COMMENT

AWA came to the market blandishing both its qualities as a defensive stock and a progressive dividend policy. Neither has materialised. Last year's results were uninspired, while trading conditions this year look to be increasingly difficult. A strong German market during the first half which boosted the results last year will not be repeated, and the company looks vulnerable to an increase in pulp prices which, given the state of demand for paper, it would have difficulty passing on to customers. With analysts' profits forecasts for next year wavering at about £219m, giving a multiple of 14, the stock looks decidedly dull. A poor defensive stock with limited recovery potential.

Loss at Select Appointments

Select Appointments (Holdings), which operates miscellaneous business services including permanent and temporary staff placements, went sharply into reverse in the six months to October 5 ending with a pre-tax loss of £508,000 compared with a profit of £711,000.

Sales of this USM-quoted company totalled £10.1m (£31.3m) but the current figure related only to ongoing operations in the UK, Australia and New Zealand, while the previous year's included £15.3m sales of the discontinued businesses of Morgan and Banks and Select USA.

Disposal of these companies was reflected in an extraordinary charge this time of £21.1m.

MGN Pension Trustees chairman

Mr Colin Cornwall has been appointed as independent chairman of MGN Pension Trustees. He has previously been director of pensions and company secretary at Courtaulds.

Higher margins help Kwik-Fit

By Jane Fuller

A TWO THIRDS increase in pre-tax profit is a rare sight in a recession, but Kwik-Fit Holdings, the tyres and exhaust fitter, delivered it yesterday.

By pushing operating margins up from 10 per cent to 15 per cent and reducing interest costs by nearly £4m, it turned a 17 per cent rise in sales into 66 per cent at the pre-tax level. This was in spite of losing £770,000 on asset sales, compared with a £2.04m profit.

The pre-tax figure for the year to February 29 rose to £32.1m (£19.4m) on turnover of £253.8m (£229.4 including a discontinued business). Earnings per share, helped by a lower tax rate of 30 per cent, rose 73 per cent to 13.27p (7.67p).

The previous year's pre-tax profit and earnings figures were restated from the original £24.5m and 10.82p respectively to show a reduction in the exceptional gain on a business sale. This was caused by the reinstatement of a £5.08m goodwill write-off to comply with a new accounting standard.

Operating profit, unaffected by the changes, advanced by 51 per cent to £34.5m (£22.8m). Net debt of £19.1m at the previous year-end was turned into £3.52m cash.

Mr Tom Farmer, chairman and chief executive, said margins had been helped by an increase in sales of higher margin products, especially exhausts. Prices had gone up by 7 per cent but the cost of running a depot had been kept level by focusing on savings.

A net 13 depots were opened, bringing the total to 599, of which 480 are in the UK with most of the rest in the Netherlands, where record results were achieved. Mr Farmer said 27 outlets would be opened in the first half of this year.

Tyres, which carry a lower margin, accounted for 50 per cent of sales. There had been an upsurge in demand in December and January as tighter regulations on tread depth took effect. Most of the fleet business is in tyres.

Exhausts accounted for 32 per cent of sales. Mr Farmer said the market had got over a dip caused by manufacturers fitting longer-lasting products, which had delayed replacement.

A final dividend of 2p makes a total of 3.35p (2.75p).

● COMMENT

Kwik-Fit has responded to the recession as if its market had been seriously affected, which it has not. Two years ago it curtailed its expansion dramatically after increasing the number of outlets by 55 per cent in a similar period. The big cut in capital spending has been mirrored in the control of cost minutiae from head office to the depots. Coupled with price and demand increases in a make-do-and-mend era, the cash has rolled in. The company even shrugged off criticism from the Consumers Association with the help of its well-oiled marketing machine. This year, from a strong financial position, the rate of openings is being stepped up, as it must be for future growth. A pre-tax profit forecast of £36m gives a prospective p/e of about 13 on yesterday's close of 189p, a little short of the market. With the UK's vehicle fleet still ageing and additional custom causing little extra cost, this looks undemanding.

C and W moves could save £175m next year

By Michiyo Nakamoto

CABLE AND Wireless is restructuring its business services units and merging its personal communications network business with Unitel, a US-owned operator, in moves that will lead to savings for the group of £175m in the next year.

The UK-based international telecommunications group is, however, making an exceptional charge of £50m in the current year to March 31 to cover the costs of the restructuring.

Shares in C and W dropped sharply on the news before closing down 28p at 555p as investors were disappointed by the prospect of another year of flat earnings. In the year to March 31 1991, C and W reported pre-tax profits of £609m against £527m but earnings per share were flat at 31.3p.

The restructuring would provide the foundation for a more focused strategy for C and W's business services activities, an area where it expects to see the greatest competition.

C and W was not interested in building a mega-network around the world but would concentrate on areas where it already has strength. The move was aimed at "clearing the decks for the nineties," said Lord Young, chairman.

The merger of Mercury Personal Communications, a wholly owned C and W subsidiary, with Unitel, a consortium led by US West, a diversified communications company based in Colorado, brings together two of three competing operators of personal communications networks (PCNs).

It highlights the difficult market faced by groups licensed to operate PCN, a mobile communications system based on digital cellular radio technology.

PCNs were initially hailed as a low-cost mobile system which could compete against BT's fixed-link telecommunications network.

However, the market for mobile communications has failed to grow according to the industry's initial optimistic forecasts. Mercury acknowledged that with two analogue networks - Vodafone and Cellnet - already well established, "it may well be that the market can only support one digital cellular network."

In addition, the costs of installing PCN infrastructure are prohibitively high. Mercury PCN and Unitel had already agreed last July to share the costs of building a new infrastructure for PCNs to reduce costs by about £400m.

A merger would cut costs by approximately a further £200m over the next three years, C and W said.

C and W indicated that it could tie up with Microtel, the only other PCN operator, to share a single network.

Since the UK government awarded licenses in 1989 to three consortia of several companies each to develop and operate PCNs, most have withdrawn from participation leaving only C and W, US West and Hutchinson Telecommunications.

See Lex

S&N static at £132m in spite of underlying sales upturn

By Richard Gourlay

SMITH & NEPHEW, the international healthcare and consumer products group, yesterday reported virtually static profits of £132.4m pre-tax for 1991 in spite of a 9 per cent rise in underlying sales.

The group saw particularly strong growth in its trauma and arthroscopy division and in orthopaedic implants, which grew by 31 and 29 per cent respectively.

Mr John Robinson, chief executive, said Smith & Nephew had continued to build its position as a world-wide healthcare group which commanded about 15 per cent of a world market worth approximately £4bn.

Earnings per share slipped from 9.2p to 9p but the company is paying a final dividend of 2.69p, bringing the total for the year to 4.44p, up 2 per cent.

Turnover grew 8 per cent to £792m.

The result was achieved despite recession in the UK consumer market, a hit from currency translation that cost £8m and a sharp turn down in the US optical lens business, which cost another £7m.

Mr Robinson said that in the long run Smith & Nephew would be unaffected should a Labour government be returned as its products tended to help save money by shortening a patient's stay in hospital.

The company could enjoy a short term boost after a Labour victory, he said.

Gearing during the year fell from 31 per cent to 23 per cent but the tax rate rose to 27 per cent and is likely to be 29 per cent this year.

● COMMENT

S&N is in some exciting growth markets, particularly arthroscopy and non-invasive orthopaedic implants. But until now one could not avoid wondering why the company had done so little with them; after all, earnings per share since 1988 has grown by only 4 per cent. This may be about to change and boost S&N's market rating. Despite recession, underlying sales grew by 9 per cent last year, management appears to be sorting out the less successful acquisitions made during the 1980s drive for international coverage and this year it should avoid the adverse effects of currency. Pre-tax profits are likely to rise to at least £146m, or earnings of 9.9p, giving a prospective multiple of under 15.

Johnson Group dividend frozen

By Peggy Hollinger

JOHNSON Group Cleaners, one of the world's largest dry cleaning companies, is freezing its dividend for the second consecutive year as it reported an 8 per cent decline in pre-tax profits to £16m for the 12 months to December 28.

The decline in profits was entirely due to a £1.6m fall in the property surplus. Stripping out property gains, profits rose slightly from £15.6m to £15.8m.

Mr Terry Greer, chairman, warned that the outlook for this year was not encouraging. "1992 is most unlikely to show a big movement upwards," he said. "Another cautious year is what we are looking for."

The group proposed a final dividend of 18.7p, for a total of 25.7p. Mr Greer said that due to the company's "extremely cautious attitude to profits in 1992, we would be unlikely to show an increase in the dividend unless something big happened".

The group's two divisions, dry cleaning and textile rental, enjoyed mixed fortunes on both side of the Atlantic. Dry cleaning in the UK, where Johnson commands more than 20 per cent of the market, had maintained sales in a difficult environment, while textile rental had improved both turnover and margins. However, growth in textile rental had slowed significantly by the year end.

In the US, losses at the dry cleaning franchise division had been cut from $1m to $250,000 through reduced overheads. Mr Greer said he expected the losses to remain at that level for 1992. "We hope to see real movement after 1992," he said.

Both dry cleaning and textile rental had remained static in the US.

Altogether, group turnover rose from £149.4m to £154.5m. Fully-diluted earnings per share fell from 55.41p to 49.02p. Stripping out the property surplus, however, earnings increased from 46.98p to 48.7p.

During the year, Johnson strengthened the balance sheet through cutting capital expenditure by 50 per cent to £7m and controlling costs, said Mr Greer. Gearing had been reduced from 54 per cent to 39 per cent.

There was a £1.7m extraordinary charge for the demolition of an old factory at Bootle, Merseyside. Mr Greer said Johnson eventually intended to expand the remaining workwear factory on the site.

The acquisition programme, put on hold last year when the recession began to bite, would be further delayed, the chairman said.

Porter Chadburn expands in US

Porter Chadburn, a producer of notepaper and labels, is to acquire Lancer Label, a Nebraska-based specialist maker of self-adhesive labels.

Consideration for the purchase, which is to be effected through Porter Chadburn Holdings, the group's US subsidiary, is $25.8m (£14.9m). This is payable in cash over five years, of which $16.4m is payable on completion.

The company also revealed that it had disposed of Compular for $3.1m (£1.8m) in cash.

DIVIDENDS ANNOUNCED

		Current payment	Date of payment	Corres - ponding dividend	Total for year	Total last year
Arjo Wiggins	fin	5.05	June 2	5.05	8.35	8.35
BSG Intl	fin	2.5☆	July 1	2.5	3.2	3.2
BZW Convertible	int	1.5‡	Apr 14	1.5	-	7.7
Caird	fin	1.37☆†	July 1	1.2	2.7	2.4
Cattle's	fin	2.3	May 15	2.3	3.8‡	3.8
Davis Service	fin	5.25	June 9	5.25	7.98	7.98
Ferrum	fin	1.4†	July 1	1.25	2.5	2.25
For & Col High	int	1.2†	Apr 23	1.2	-	2.4
GRE	fin	2.6	-	7.5	7	11.9
Guinness	fin	7.75	June 1	6.67*	10.8*	9.37*
Johnson Cleaners	fin	18.7	May 1	18.7	25.7	25.7
Kwik-Fit	fin	2	May 18	1.65	3.35	2.75
Laing (John)	fin	6	June 5	10	9	13
Law Debenture	fin	11.5	May 2	10.25	17.5	16
Manders	fin	5†	May 15	5	7	7
M&G Income	int	0.75	Apr 21	-	-	-
Nestor-BNA	fin	2	May 29	2	3.15†	3.15
Schroders	fin	13	May 7	10	18	14
Smith & Nephew	fin	2.69	July 7	2.615	4.44	4.35
Sotheby's	fin	15♠‡‡	-	15	60	60
Stag Furniture	fin	4	May 15	3.5	6.5	5.5
Thames TV	fin	5	June 4	10.85	7.5	16
Thornton Asian	fin	0.5	June 25	0.5	0.5	0.5
UniChem	fin	3.3	July 1	-	5	1.5★
Vinten	fin	4.8†	July 1	4.5	6.6	6.2
Wassall	fin	2†	May 22	1.6	3	2.5

Dividends shown pence per share net except where otherwise stated. *Equivalent after allowing for scrip issue. †On capital increased by rights and/or acquisition issues. §USM stock. ☆Scrip option. ‡Special 0.5p will also be paid. ‡Second interim making 3p so far. ★For part year following flotation in 1990. ♠US cents. ‡‡For fourth quarter.

Ex-Ashley chief to get pay-off

By Maggie Urry

Ashley Group, the window blind distributor and Spanish food retailer, will incur a loss in its current financial year and is paying compensation of £593,000 to Mr Tony Butler, who resigned as chief executive earlier this month.

Mr Butler resigned following disagreements over strategy and pressure from institutional shareholders for change.

Mr Alan Thomas has been appointed group managing director. He ran the window blind business and before joining Ashley was managing director of Linfood, the cash and carry company.

Mr James White, chairman, said that Mr Butler's compensation was in line with his three-year, £250,000 a year contract.

The group said that results for the year to end August "may not exceed break even" before exceptional charges.

International Rescue launched to prove Clarke Foods' Lyons Maid is F.A.B.

By Peggy Hollinger

HENRY D Clarke, Jr. took one look at the British ice cream market and made an urgent call to International Rescue. Whether he had to pull strings to get Brains and Virgil, he would not say, but the sound and light extravaganza produced for retailers yesterday was nothing short of spectacular.

For Mr Clarke, the American chairman and "Big Daddy" of Clarke Foods, which became Britain's second biggest ice cream manufacturer when it bought Lyons Maid in January, is determined to spare no expense in promoting his assault on the UK ice cream market, including drafting in the Thunderbirds.

In a homey and comforting voice, more akin to bedtime story-telling than advertising hype, Mr Clarke told a packed West End theatre about his family's obsession. And one by one, his sons appeared on stage to confirm that ice cream was what kept the Clarke family together.

The speeches, interspersed with bright lights and rousing music, had one purpose: to relaunch Lyons Maid and introduce the Clarke brand of super premium ice cream.

"We have got Lyons Maid, the great sleeping giant of the UK ice cream industry and we are going to shake it awake," declared Henry D.

The Clarke credentials for promotion are legendary in the ice cream industry. Mr Clarke was the Brains behind the runaway success of the Klondike bar in the US – America's best-selling novelty ice cream.

Clarke Foods has returned to a version of Henry D's first love in the Clarke Bar. But now, says Mr Clarke, he has the chance to do what he never could to Klondike' improve the quality. Quality was the main message in yesterday's production. Clarke has relaunched Lyons Maid with the promise that fruit flavours and sauces would be made with the real thing.

A £3.5m advertising campaign to promote the improved Lyons Maid is waiting to swamp Britain from June, while the Clarke brand will get £1m in exposure.

Packaging of the old familiar favourites, such as the Zoom rocket bar and fruit Mivvi, has even been given a space age look to attract today's Star Wars generation.

The Clarke brand will go heavy on nostalgia, perhaps most importantly for Mr Clarke whose photograph at the age of seven appears on the tubs. He claims he was setting off to get a Klondike bar.

All this razzamatazz might seem more appropriate to an US election campaign than the relaunch of Lyons Maid and introduction of a new product. But it cannot be denied that there was something almost patriotic in the way Mr Clarke swore his allegiance to the product. The only thing missing was the flag.

Tony Andrews

Brains and Virgil discuss the finer points of the real fruit Mivvi and whether the Zoom rocket bar will go

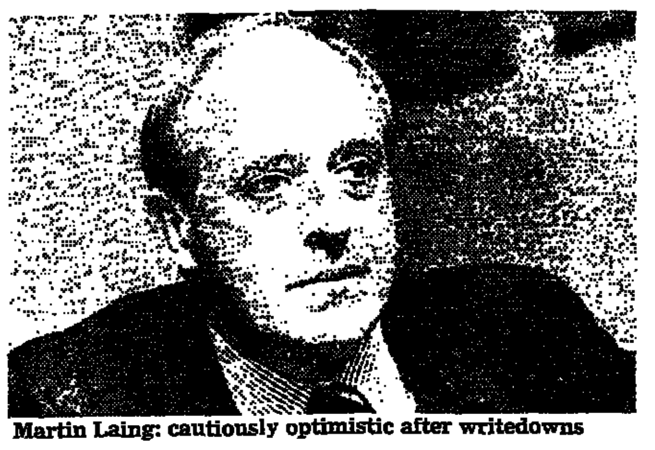
Provisions put Laing £65.3m in red

By Andrew Taylor, Construction Correspondent

JOHN LAING yesterday became the second large construction group this week to announce a pre-tax loss for 1991 after making large provisions to cover the collapse of UK property values.

The deficit was £65.3m after an exceptional provision of £87.8m, compared with profits of £20.1m. About two thirds of the writedown was against housing land in southern England.

It is Laing's first pre-tax loss since it was floated in 1954. Immediately after the announcement the shares fell from 160p to 128p but later recovered to close 5p down at 155p.



Martin Laing: cautiously optimistic after writedowns

Mr Martin Laing, chairman, said in the light of "a thumping great loss" the company had decided to cut its final dividend from 10p to 6p for a total of 9p (13p) for the year.

Group turnover rose from £1.53bn to £1.59bn. After all deductions the group incurred losses per share of 57.4p in 1991 resulting in a £58m transfer from reserves.

The £7.9m cost of funding dividends was met from cashflow. At the end of last year net cash was £23.4m.

A divisional breakdown showed operating losses for housing of £2.8m (£5.8m), £3.9m (£3.1m) losses for property development, £2.8m losses, compared with £1.5m profit, for the technology division and profits of £30.9m (£27.8m) for contracting, which produced a slightly higher margin of 2.4 on turnover increased from £1.22bn to £1.29bn.

The number of UK private homes sold by the group fell from 1,627 to 1,231. Average prices, however, were marginally higher at £68,800. The number of homes sold in Virginia and California rose from 360 to 374 but average prices fell by about a tenth.

Construction profits are likely to fall this year with the group's order book worth £1.38bn at the end of 1991 compared with orders worth £1.88bn at the end of 1990. Margins are also likely to come under pressure as a result of a sharp downturn in UK construction activity.

Mr Laing said that UK house sales had improved by about 10 per cent in the first 2¼ months of this year. However, that compared with a depressed period last year when sales were affected badly by the Gulf war. The improvement in sales had been much greater in California.

● COMMENT

The fall in Laing's share price, after the initial shock at the size of the writedown, was limited to just 5p. The market appeared to be taking the view that the worst was now over. Laing previously had made only a small provision against its UK housing operations, which it had hoped would have been starting to improve by now. Instead things have got worse. Furthermore, Laing is heavily involved in south-east England where values have been hit badly by the recession. Following the provisions, the company should make an average profit of about £12,000 a house. Any price rises should come straight through to profit. Contracting earnings, however, will fall this year. A group profit of £20m on a 33 per cent tax charge would place Laing on prospective p/e of about 10. The balance sheet is strong but after last year's shock the shares may be under pressure for a while.

Depressed car market behind decline at BSG

By Paul Cheeseright, Midlands Correspondent

PROFITS at BSG International, the motor components, vehicle distribution and consumer products group, slipped back for the second year running, reflecting lower car sales volume and a sluggish leasing market.

Pre-tax profits for 1991 amounted to £11.1m (£13.1m) which translated into earnings per share of 3.32p (4.29p).

However, the final dividend is maintained at 2.5p to make a barely covered total of 3.2p, the same as in 1990.

The group is looking for better results in the current year. "The first two months have been encouraging, except for car distribution and leasing," said Mr Tom Cannon, managing director, noting that the budget had made no difference to new car sales so far.

"We can trade more profitably in today's economy because we've cut back so much. Even if the economy doesn't move, we'll make more money," he said.

Indeed, £1.1m of the £2.03m profits reduction came from redundancy payments, largely at the Birmingham car sales and leasing operation, which has been reduced in scale and from which £4m in working capital has been removed. Reduction in costs helped to reduce gearing from 44 per cent to 39 per cent.

Despite problems with an Australian lighting plant, which has not yet found any export markets, the group's international component operations held up strongly. Sales in the consumer and special products division, making children's car safety seats, pushchairs, nursery furniture and aircraft lavatory cubicles, rose 7 per cent and trading profits more than doubled to £8.76m.

Manders at £6.04m after second half improvement

By Paul Cheeseright, Midlands Correspondent

MANDERS (HOLDINGS), the Wolverhampton-based inks, paints and property group, showed an improved performance in the second half of 1991 and ended the year with pre-tax profits of £6.04m compared with £6.6m in 1990.

Operating in sluggish markets, the group faced continuing pressure on margins and suffered from the growing incidence of bad debts.

Turnover amounted to £101.6m (£104.8m). Earnings per share were 13p, against 14.31p. The final dividend is 5p, making an unchanged total of 7p.

Reorganisation of factories in the inks division, a change in distribution methods of the paints business and moves to boost productivity began to take effect in the second half. This meant that, for example, the 5 per cent turnover fall in the paints division was half that of the industry generally.

But the tile business slipped into loss. Mr Roy Amos, chairman, said that "the tile business is not really strategic," and, hinting at a possible disposal, added, "we need to do something about the tile business."

Manders's property interests, based on the eponymous shopping centre in Wolverhampton, increased revenue because of higher rents but were revalued at £57.5m, a reduction of 11.5 per cent since the last revaluation in 1989. To cover this adjustment, £7.77m is being deducted from group reserves.

The group expects financial benefits to flow through from the recent acquisition of Windeck Paints, a move which takes it into the own-brand business at retail multiples. But Mr Amos warned that "there is no end to the recession as far as we can see."

US buy behind 35% rise at Wassall

By Roland Rudd

WASSALL, the mini-conglomerate run by former Hanson executives, yesterday reported a 35 per cent increase in pre-tax profits on the back of its recent acquisition of DAP, a US supplier of construction products and filling compounds.

For the year to end-December pre-tax profits rose to £10.3m (£7.6m) on sales up by 27 per cent from £130m to £165m.

Without the 14-week contribution from DAP, which was acquired in September for £58m, taxable profits would have remained unchanged from last year.

The consumer division, which includes DAP and Antler, the UK luggage manufacturer, increased trading profit to £3.98m (£1.03m).

DAP is undergoing a rationalisation programme, which could see a reduction in the number of plants, and a wide-ranging evaluation of its business.

The acquisition is concentrating on the expanding DIY market in the US. Wassall is confident of doubling its current 5 per cent return on sales.

Provisions of £7.7m were taken to cover reorganisation and environmental costs as well as other post-employment benefits at DAP, which include pensions and private health care.

The closures business, which includes bottle top companies in the UK, Italy and South Africa, increased trading profit to £8.02m (£7.02m).

The industrial and commercial side saw a fall in profits from £3.02m to £816,000 as office furniture reported a small trading loss. A reorganisation, which saw the number of plants decrease from five to three, cost £450,000.

Earnings per share increased to 13p (11.9p). A final dividend of 2p raises the total to 3p compared to 2.5p. The group proposes to make a scrip issue of one new share for every two held.

● COMMENT

Wassall's results pleased the City more for its reduction in debt and conservative accounting policies than its record profit increase. DAP's contribution should not, however, be underestimated, producing operating profits of £2.77m with a significant contribution still to come. The group may also expand its US operations with a few strategic bolt-on acquisitions. The reduction in net debt from £47m to £24m, bringing gearing down from 140 per cent to 43 per cent, underlined the group's ability to generate cash. The market also welcomed the group's decision to take its £450,000 rationalisation cost above the line. With forecasts of pre-tax profits of about £18m, the shares, up 9p to 235p, are on a prospective multiple of 15.2. Not a demanding premium given the group's momentum.

Schroders beats expectations with 64% advance to £52.1m

By David Barchard

SCHRODERS, the London-based international merchant banking group, raised its profits by 64 per cent in 1991, a year which, according to Mr Wim Bischoff, chief executive, turned out better than expected.

Total disclosed group post-tax profits were £52.1m, up from £31.6m before an extraordinary profit in 1990. Analysts noted that Schroders' 1991 performance was also 10 per cent up on 1989, the best-ever year in the group's history.

Disclosed earnings per share rose from 50.1p to 82.2p, and the total dividend is increased by 28 per cent from 14p to 18p.

Dividend cover is 4.5 times disclosed profits.

The improved profitability in 1991 seemed to reflect a successful year by all the group's main operations, and the absence of any problems comparable to those which hit its balance sheet in 1990 in the UK and US.

Mr Bischoff said that 1991 had been a very good year for Schroders' operations in both London and Hong Kong.

In New York, the results of Wertheim Schroder had been substantially improved, and transactions and revenues had both gone up. The Los Angeles operation was also doing well.

There was also significant profits growth in the Japanese division, in spite of the problems in the country's securities industry.

Venture capital and management buy-out operations increased funds under management to $1.5bn. During the year the group repaid £27.8m of debt, leaving only £10m of loan stock outstanding which matures in 2002.

Schroders is one of the most strongly capitalised banks in the London market, with a risk asset ratio described as well over 16 per cent, twice the regulatory minimum.

In the UK, the group's loan book rose from £732m in 1990 to £900m.

Mr Bischoff said Schroders took advantage of widening margins to lend to good customers at a time when other banks were withdrawing from the market.

Despite the profits growth of 1991, Mr Bischoff was cautious about prospects for the current year, which he said would be difficult.

Schroders had some terrific opportunities outside the UK, but would stick to its traditional policy of trying to do a few things well.

"The high calibre of our staff worldwide enables us to face the present year with confidence," Mr Bischoff said.

Landfill activities boost Caird

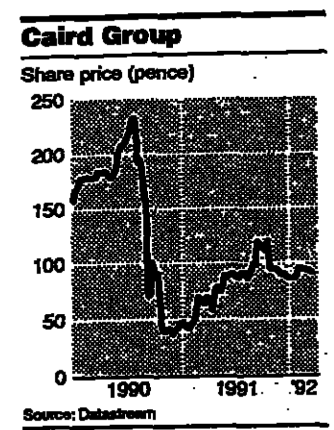
By Richard Gourlay

CAIRD, the waste management company, yesterday reported a 41 per cent increase in profits for 1991 after strong increases in its landfill and special waste divisions.

Pre-tax profits jumped from £4.86m to £6.87m on sales down 18 per cent at £26.2m. Earnings per share almost doubled to 4.75p and an increased final dividend of 1.37p is proposed, giving 2.7p for the year.

Mr John Ashton, chairman, said the group had made progress concentrating on the landfill and special waste sides with the disposal of the dry waste and non-core businesses.

Debt rose to £12m, for gearing of 25 per cent, from no debt at the end of last year end if off-balance sheet debt was included. Since the year end Caird has received £5.4m from the sale of businesses, including the English Dry Waste division, and is expecting to sell more assets with a net realisable value of £4.1m this year.



Source: Datastream

Caird reported its results as Waste Management Inc, the world's largest waste group, announced it was to float 20 per cent of its international operations in order to take advantage of intensified environmental regulation.

Overall profit margins at Caird rose from about 10 per cent to more than 26 per cent. Operating profits doubled to £7.23m at the landfill division as a result of the increased sale of materials from recycled waste and the sale of quarried materials. Margins in this division rose from 60 per cent to more than 73 per cent. It takes very little low margin domestic waste.

Margins in the special waste division rose from 8 per cent to more than 20 per cent as the group moved out of treatment of bulk products and focused more on smaller, more hazardous chemicals. Profits rose from £350,000 to £1.29m in this division.

Capital expenditure was £21.5m, most of it on site development. This year the figure is likely to fall to £6.5m.

Extraordinary items of £1.02m covered withdrawal from non-core businesses and the final portion of a total £1.2m bill for fighting off Severn Trent's hostile bid.

Davis Service falls to £16.7m

By Angus Foster

DAVIS SERVICE Group, the business services company formerly known as Godfrey Davis, yesterday announced a 25 per cent fall in annual profits.

The company reported pre-tax profits of £16.7m (£22.3m) for 1991 as most divisions were hit by reduced demand and lower margins.

Earnings dropped to 13.24p (17.57p) per share but the final dividend is held at 5.25p for an unchanged total of 7.98p.

Turnover fell to £309m (£353m), partly reflecting the sale of three of its four Ford dealerships last May. The remaining dealership in St Albans recorded lower profits due to reduced new car sales.

Profits from textile maintenance fell to £12m (£14.1m). Recession and the Gulf war affected hotels and rising unemployment meant lower garment rentals. The site services division was affected by local authority spending constraints and recession among builders. The rental business held up better due to lower prices.

Support services, which covers cleaning and catering, increased operating profits to £2.51m (£1.81m) as a number of contracts won in 1990 contributed for the first time.

Contract hire was hit by clients reducing their fleets and weak second hand car prices.

Interest charges, mainly related to the contract hire business, increased to £11.7m (£9.79m). Excluding contract hire borrowings, gearing fell to 15 per cent from 18 per cent.

● COMMENT

Davis managed to keep up its volumes through aggressive price discounting in its garment and site services division. Assuming demand returns, so should margins. The site service side is theoretically an early beneficiary of economic upturn, but exposure to the construction industry complicates matters somewhat. The support services division performed well, but again there is a question mark because 20 per cent of turnover stems from competitive tendering in the health service, which is at risk if Labour wins the election. Forecast pre-tax profits this year are £18m putting the shares on a multiple of 12 and ranks them as no more than a hold.

Consumer credit side lifts Cattle's to £9.8m

By Roland Rudd

CATTLE's (Holdings), the consumer credit company, yesterday reported a 19.5 per cent increase in pre-tax profits, from £8.2m to £9.8m, for the year to December 31.

Mr Eddie Cran, deputy chief executive, said that despite no recovery in consumer demand a reorganisation at the consumer credit division, offering weekly credit to about 250,000 customers, saw profits rise from £6.7m to £9m.

The hire purchase and leasing division, adversely affected by bad debts from small businesses, reported a loss of £1.5m compared with profits of £400,000. The number of debtors declined to 33m (40m).

Profits from insurance services were marginally up at £560,000 (£400,000). After the rapid expansion in 1990 the number of branches have been maintained at 50.

Last month's 55 per cent flotation of Rosebys, the retail business, generated £10m, which helped bring down borrowings to £65m (£80m), representing 200 per cent of shareholders funds.

Mr Cran said it was encouraging to see Rosebys increase its profits to £2.17m (£2m) in a "dismal year for retailing".

An extraordinary item of £500,000 relates to the costs arising from the withdrawal from servicing small third party video retail sites.

Turnover was up at £245m (£203m). Earnings fell to 6.1p (7p). A maintained final dividend of 2.3p is recommended for an unchanged total of 3.8p.

In addition, a special interim of 0.5p will be paid reflecting the gain from the company's sale of part of Rosebys.

Sotheby's drops 86% to $22m despite strong final quarter

By Maggie Urry

SOTHEBY'S HOLDINGS, the auction house, made up for losses earlier in the year in its fourth quarter to report pre-tax profits of $21.5m (£12.4m) for 1991. However, this was 86 per cent lower than the 1990 figure of $154.6m.

The fourth quarter pre-tax profit was $30.4m ($42.9m).

Even so, Sotheby's held its total dividend at 60 cents, although earnings per share were down to 25 cents, (about 14p) compared with $1.66. Earlier this week Christies International, Sotheby's rival, also reported a sharp fall in earnings but cut its dividend. Sotheby's shares were unchanged at 825p.

Mr Michael Ainslie, Sotheby's president and chief executive officer, said there were signs that the art market was picking up again. He said that the 1992 dividend would be reconsidered during the year if Sotheby's felt that earnings would not reach 60 cents.

Mr Ainslie countered claims by Christies to have increased market share to 48 per cent by saying that Sotheby's market share had risen again in the early months of 1992 and that Sotheby's made proportionally larger profits from its share of the market. Like Christies, Sotheby's suffered from the souring of the market for impressionist and contemporary paintings after the inflated prices seen in the late 1980s.

Mr Ainslie said that the market hit bottom in the first half of last year and improved in the second half. So far this year sales were 12 per cent ahead of the same period last year.

In 1991 auction sales totalled $1.1bn ($2.4bn) with the number of lots sold down from 180,000 to 135,000. But the fall in total revenues was less severe to $222m ($378m). Revenues from auctions were $194m, 17.6 per cent of auction sales, down from $347m or 14.2 per cent of sales. The improved margin reflected higher vendor commissions on lower priced lots. Operating profits from auctions were $12.1m ($139m).

Sotheby's finance operations – lending to sellers ahead of auctions – made an operating profit of $7.8m ($8.1m), while the international real estate business increased profits to $312,000 ($52,000). Costs had been cut by $42m to $198m, Mr Ainslie said, and this would mean that slight revenue gains this year would have a larger impact on profits. Interest income fell from $14.6m to $6.85m.

● COMMENT

Unlike Christies, which jacked up its dividend to unsustainable levels in the late 1980s, Sotheby's feels justified in maintaining its pay-out in a difficult year. It appears to think it could earn enough to cover a repeat payment in 1992 which suggests a p/e of about 24 or less and a yield of 5.6 per cent. But that would translate to pre-tax profits of about $70m, a rather steep recovery even if costs come down another 5 per cent and confidence rebuilds in the art market. A more conservative estimate might be about $40m pre-tax, with a correspondingly higher p/e. Investment in the shares demands faith in the long-term growth of the art market. Sotheby's shares have outperformed Christies' of late, but on balance look the better bet.

Courtyard bid talks discontinued

Shares of USM-quoted Courtyard Leisure fell 5p to 21p yesterday on news that bid talks with TW Consultants had been discontinued by mutual agreement.

TWC acquired a 13.9 per cent holding in Courtyard in January and talks began at the end of last month when TWC made it known that, together with other shareholders deemed to be associates of TWC, it had 27.64 per cent of Courtyard.

UK COMPANY NEWS

UniChem hits £21m and loses interest in Macarthy

By Jane Fuller

UNICHEM, the pharmaceuticals wholesaler, yesterday announced a 31 per cent increase in annual pre-tax profits and its withdrawal from the battle for Macarthy.

The company's decision not to renew its bid for the retailer, in spite of clearance from the Monopolies and Mergers Commission, comes a week before the first closing date for the new £96m agreed offer from Lloyds Chemists.

UniChem's profits rose from £16.4m to £21.4m last year, about £400,000 ahead of the forecast made with December's £35.1m rights issue.

The figures included a £2.5m reduction in net interest costs to £288,000. Turnover was £920.1m (£83.3m).

Mr Jeff Harris, who in May will take over from Mr Peter Dodd as chief executive, said pharmaceuticals sales grew 9 per cent, in line with the market, while the over-the-counter business was much flatter.

The account with Kingswood chemists was lost in May, when Lloyds took it over. Savory & Moore, part of Macarthy, was gained as a customer in November, but would be lost if the Lloyds bid succeeded.

Operating margins in wholesaling, still the vast majority of the business with retail contributing only £12m to sales, improved from 2.2 per cent to just over 2.3 per cent.

Group operating profit rose by 12 per cent to £21.7m (£19.3m).

The retail division, started a year ago, had grown to 145 shops – of which 92 were added in December via the £27m acquisition of E Moss. The group operates a franchise scheme.

Mr Dodd said some of the £17.5m cash that UniChem had at the year-end would be used to buy more chemists. On the wholesaling side, there was still scope to expand in the UK – where it had between 25 and 30 per cent of the market, depending on definitions. On the Continent, both UniChem and its PAG associate were looking at acquisitions.

Fully diluted earnings per share rose 10 per cent to 13.6p (12.4p).

A final dividend of 3.3p makes a 5p total. For 1990, the year the company floated on the stock market, a single dividend of 1.5p was paid.

Costs of the Macarthy bid and the MMC inquiry amounted to £1.03m, taken as an extraordinary item.

● **COMMENT**

It is less than two years since the pharamcist members of what was then a co-operative voted overwhelmingly for public company status. *Their faith has been handsomely repaid* with the share price more than doubling since the November 1990 launch. Meanwhile, pre-tax profit has grown by nearly 50 per cent since 1989. Last year was a perfect illustration *of UniChem's defensive qualities*, including its powers of cash generation. Net assets advanced by £20m to £111m after acquisitions and a £33m goodwill write off. UniChem does its image no harm by resisting the temptation to put pharmacy licences on the balance sheet, as Lloyds does. Market growth, the withdrawal of Medicopharma as a competitor and retail expansion should help pre-tax profit to approach £30m this year, but earnings growth will be weighed down by extra equity. A prospective multiple of 14.5 to 15 on yesterday's 212p looks high enough.

See Observer

Thames TV lower at £8.2m but beats market expectations

By Gary Mead, Marketing Correspondent

THAMES TV, whose London weekday broadcasting franchise expires at the end of this year, yesterday reported pre-tax profits of £8.2m for the year ended December 31 1991, slightly down from 1990's £8.9m but rather better than *analysts' forecasts of about* £5m.

However, extraordinary provisions of £25.5m – made against the group's need to rapidly scale down its operations this year – meant *that it recorded an overall loss* of £23.5m for the year. Operating profit declined to £35.8m (£40.1m).

The board recommended a final dividend of 5p, making a total of 7.5p (16p) for the year. Earnings per share fell to 4.1p (10.9p).

Thames reduced its net debt over the year by £11.5m, leaving it at £38.2m at the year-end.

Included in the extraordinary items were costs of more than £2.75m incurred in preparing the failed application to renew its broadcasting licence.

Besides forthcoming redundancy costs, an £18.8m provision was made for property which will soon be surplus to requirements. Against that Thames has benefited by some £11.5m levy relief and £9.7m corporation tax relief.

Thames has progressively shrunk its workforce from more than 1,800 in 1990. By mid-1993, when restructuring will be completed, it will have less than 250 employees worldwide.

Mr Derek Hunt, finance director, said yesterday that £22m of the provisions will cover redundancies.

Revenue over the year grew slightly to £388m (£378m). Its share of the independent television network's advertising revenue increased to 15.32 per cent *(15.21 per cent)*, while overall network revenue fell by 1.6 per cent. However, after discounts, advertising revenue shrank slightly to £243m (£246m).

THAMES TELEVISION

While revenue from programme sales fell across the world – particularly so in the US – programme sales in the UK showed a marked improvement to £97.8m (£79.1m).

Reeves Entertainment, its US production company bought for £59.6m in January 1990, performed poorly, with an operating loss of £6.7m on turnover of £21.4m.

● The Independent Television Commission is to shed 53 of its 242 staff by the end of 1992. The job losses will be achieved by a mix of early retirement, non-renewal of contracts and redundancies.

Jobs to go in thread merger

By Daniel Green

COATS VIYELLA, the textiles company, will on April 6 create Britain's biggest thread maker by merging its J&P Coats division with English Sewing, which it acquired in May 1991 when it bought Tootal after a bitter takeover battle.

The new company, Coats Ltd, will have annual sales of £60m and take about 40 per cent of the UK thread market by value.

The merger will lead to 350 job cuts, mostly at J&P Coats' manufacturing operations in Paisley, Scotland. Mr Nick Kershaw, managing director of the merged company, said yesterday that staffing across Coats Ltd would be down to 800 within a year.

J&P Coats is the junior in the partnership, with about 17 per cent of the UK market. The combined company will account for about 7 per cent of Coats Viyella's worldwide thread sales.

The merger will take place a few days after Coats Viyella publishes its results for 1991 on March 27. The figures will be closely watched by analysts because they will include eight months of trading after the merger with Tootal.

Coats Viyella is expected to have made pre-tax profits of about £108m, a slight improvement on 1990.

It has already shed some jobs since the merger, but cuts would have been higher in the thread division had Tootal not closed two spinning mills at Belper and Matlock in Derbyshire in March 1991 with the loss of 220 jobs.

Mr Kershaw said that these job cuts had helped efficiency.

More than 90 per cent of Coats Ltd's products are made, dyed or finished in the UK at plants in Scotland, Northern Ireland and Enderby, Leicester.

Its main competitors in the UK are Leicester-based Donisthorpe, owned by DMC, the French textile group, and Oxley Threads, a family-owned business in Ashton-under-Lyne, Greater Manchester.

BOARD MEETINGS

The following companies have notified dates of board meetings to the Stock Exchange. Such meetings are usually held for the purpose of considering dividends. Official indications are not available as to whether the dividends are interims or finals and the sub-divisions shown below are based mainly on last year's timetables.

TODAY

Interims- Attwoods, Halstead (James), Trio Inv Trust.

Finals- Anglia Television, Beta Global Emerging Markets, Fired Earth Tiles, Hornby, Mandarin Oriental Intl, Martin Currie Pacific, Molins.

FUTURE DATES

Interim-	
Bridport-Gundry	Mar. 25
Finals-	
Amec	Apr 9
Argyll	May 20
Breedon	Mar. 27
Cussins Property	Mar. 23
Estates & General	Mar. 31
Great Southern	Apr. 2
Havelock Europa	Apr 22
Mallett	Mar. 24
Microvitec	Mar. 25
Mowat	Mar 31
North British Canadian	Apr 1
Oriel	Mar. 25

Steetley attacks Redland in final missive to holders

By Andrew Taylor, Construction Correspondent

STEETLEY yesterday made a final appeal to shareholders to reject a £600m bid from Redland, its rival building materials group.

Redland's increased offer of 87 shares for every 100 Steetley shares is due to close at 1pm next Thursday. A cash alternative is pitched at 365p per share.

Steetley, *in a document sent* yesterday to its shareholders, said that the offer was worth only approximately 11 times 1990 earnings. This was a fairer measure of the company's performance than 1991 earnings which had been hit by one of the worst downturns in UK construction for half a century.

The offer was equivalent to an exit multiple of only 12 times average earnings of the last five years, according to Mr David Donne, Steetley's chairman. He said in a letter to shareholders: "Redland is trying to buy your company in the trough of recession at a price which undervalues Steetley and ignores its recovery prospects."

The group estimates that about 18 institutions control about 55 per cent of its shares. It argues that Redland is trying to pick up, on the cheap, its strong market positions in French aggregates, British bricks and in aggregate and ready-mix concrete in the Madrid area.

It says that its markets are poised to recover in the UK, where it has made substantial cost savings reducing its labour force by about 19 per cent since 1989. Brick sales In North America are expected to rise by about 18 per cent this year.

● Mr Robert Napier, Redland chairman, said Steetley's defence showed "impudent optimism about future recovery".

"Steetley is offering unrealistic hopes for UK recovery, delayed cost cutting and speculative future land-fill profits" he said.

Redland's offer would provide Steetley shareholders with immediate capital and income uplifts, Mr Napier added.

NEWS DIGEST

Nestor-BNA declines 34% to £5.31m

THE EFFECTS of the UK and US recessions together with political factors were blamed by directors of Nestor-BNA, the international healthcare and specialist personnel group, for a 34 per cent fall in 1991 profits to £5.31m pre-tax.

Part of the downturn, an exceptional charge of £840,000, reflected reorganisation costs. Earnings worked through at 5.81p (8.64p) but a proposed final dividend of 2p maintains the total at 3.15p.

Turnover slipped from £104.4m to £100.5m.

Foreign & Colonial High assets up 23%

Net asset value of Foreign & Colonial High Income Trust, formerly the London & New York Convertible Trust, rose 23 per cent to 52.9p at December 31, against 42.9p a year earlier.

Net profits for the six months to end-December rose from £274,000 to £467,000 but the interim dividend is held at 1.2p from earnings of 1.56p (1.82p).

Scottish Asian assets at $11.41

The Scottish Asian Investment Company, launched two years ago by Murray Johnstone, the fund management group, had a net asset value per share of $11.41 (640p) at January 31 compared with $9.35 a year earlier.

Losses for the six month period worked through at 10.21 cents per share, or 8.51 cents assuming full conversion of warrants.

Recovery continues at World of Leather

Following its return to profits in the first half, World of Leather, the USM-quoted furniture retailer, reported a further advance in the rest of the year to December 31 ending with pre-tax profits of £115,000, against losses of £823,000.

Earnings per share were 0.9p (10.5p losses) but the dividend is again passed.

Turnover was static at £24.6m despite the sale of two units cutting the number of stores to 27.

Law Debenture net assets up 17.3%

Net asset value per ordinary share of the Law Debenture Corporation rose by 17.3 per cent, from 363.4p to 426.3p, over the year to end-December.

Net profits emerged at £4.3m (£4m), equal to earnings of 18.92p (17.61p). A proposed final dividend of 11.5p makes a 17.5p (16p) total.

Modest advance to £2.64m at Ferrum

Ferrum Holdings, the engineering group, reported a 3 per cent advance in pre-tax profits, from £2.57m to £2.64m, in the 1991 year. Turnover was higher at £44.8m, against £41.9m.

The pre-tax figure was struck after lower net interest charges of £324,000 (£705,000) and an exceptional provision of £250,000 relating to the company's planned move to Edinburgh.

Earnings per share came out at 7.13p (8.16p) and a final dividend of 1.4p is proposed making a total of 2.5p (2.25p).

Lionheart sharply ahead at £2.63m

Lionheart, the housewares, paint brushes and retail display equipment group formerly known as Spong, returned to the dividend list after a three-year absence for reconstruction.

Pre-tax profits for 1991 amounted to £2.63m, sharply ahead of the previous year's £704,000. Turnover rose some 83 per cent to £32.3m (£17.6m).

A dividend of 0.3p is proposed, payable from earnings per share of 1.3p (0.62p). This will cost nearly £1.6m and leave retained earnings of only £210,000, but comes after clearing preference *dividend arrears* of £1.03m to 12 institutions.

The Cheshire-based group was formed from the rescue of Spong by Hillsdown, ECI and Scimitar in 1989, when Hillsdown paid £3.4m for an 8.7 per cent stake. Mr Paul Lever was recruited as chairman from Crown Paints, where he was chief executive.

Mr Lever said gearing was only 10 per cent and the group was looking for more acquisitions to broaden its base of products sold through mass market outlets.

Stag cautious despite 75% leap

Despite continuing difficult trading conditions, Stag Furniture Holdings, the Nottingham-based cabinet furniture manufacturer, lifted profits for 1991 by 75 per cent.

However, Mr Peter Ryan, chairman, warned: "It needs a resurgence of consumer confi-

dence and an upturn in the housing market if we are to maintain the 1991 level of profitability."

The pre-tax outcome – *£2.04m against £1.17m* – reflected improved production efficiency and reorganisation benefits, Mr Ryan said. The increase came on turnover down 6 per cent at £26.8m.

Earnings per share jumped *to 16.4p (6.1p); a proposed final* dividend of 4p brings the total for the year to 6.5p (5.5p).

Arcolectric falls to £318,300

Arcolectric, a maker of lighting and other electrical equipment, suffered a downturn from £446,665 to £318,299 in pre-tax profits in 1991 although turnover showed a marginal increase to £10.88m.

Mr Rodney Collier, chairman, said the reduced profit was explained by reorganisational costs and lower than expected sales at the end of the year. *He said the current sales* outlook was good.

Earnings per share came through at 3.8p (4.39p) and the proposed final dividend is 0.58p to make 1.11p (1.06p).

Ferromet statement on US subsidiary

Ferromet Group, which supplies raw materials to the stainless steel industry, stated that an involuntary petition under Chapter 11 of the US Bankruptcy Code, was filed in Texas on Tuesday against Ferromet Resources, the group's principal operating subsidiary in the US, by certain of its bankers.

This followed an announcement on March 6 that the offshoot was expecting to report substantial losses.

Net assets down at BZW Convertible

Net asset value of BZW Convertible Investment Trust was *97.04p at end-January, a marginal* decline on the 97.15p at the trust's year-end in July.

The value had fallen to 96.45p by March 13 this year.

Net revenue for the six months to end-January amounted to £2.27m (£1.92m), equal to earnings of 4.49p (3.81p) per share. A second interim dividend of 1.5p makes 3p so far this year.

Vinten moves ahead to record £9.2m

Vinten, the broadcast and photographic systems and electro-optics company, increased pre-tax profits by 6 per cent, from £8.65m to a record £9.18m, in the year to December 31. Turnover was little changed at £63.3m.

Mr Humphrey Wood, chairman, said that the performance reflected the anticipated recovery in profits from the surveillance systems division, which entered 1992 with a strong order book, and lower interest costs resulting from a further reduction in borrowing.

Earnings per share were 20.5p (19.8p) and the dividend total is increased from 6.2p to 6.6p with a proposed final of 4.8p.

M&G Income net asset value at 52.04p

M&G Income Investment Trust, which came to the market last October, reported net revenue of £3.77m for the period to January 31.

Earnings per income share emerged at 1.53p and an *interim dividend of 0.75p is* declared.

Net asset value amounted to 52.04p per capital share and 35.18p per zero dividend preference share.

RPS falls sharply into the red

RPS Group, the environmental consultancy, fell sharply from pre-tax profits of £1.74m to *losses of £493,000 in the year to* December 31.

The decline was struck after exceptional charges, relating to reorganisation, of £928,000.

Turnover slipped to £8.83m *(£9.63m) and the cost of sales* grew to £6.31m (£5.72m), leaving gross profits down at £2.52m (£3.91m).

Losses per share emerged at 3.36p (earnings 9.49p) and the final dividend is reduced *to 0.6p for a total of 2p* (3.2p).

Belgians buy Cresta Holidays for £8.42m

Cresta Holidays, the UK short holiday operator, has been bought by Sun International of Belgium for about BFr500m (£8.42m).

Mr Mark Vanmoerkerke, Sun's general manager, said Cresta's management would remain in place and the UK company would continue to function independently. Mr Vanmoerkerke will join Cresta's board.

Cresta had turnover last *year of £30m and carried over* 100,000 passengers.

Thornton Asian net assets improve

Net asset value per share of Thornton Asian Emerging Markets Investment Trust stood at 68.8p at the December 31 year end against 61p 12 months earlier.

Gross income increased 5 per cent from £2.15m to £2.27m.

A same again dividend of 0.5p is proposed, payable from earnings per share of 0.55p (0.5p).

LEGAL NOTICES

No. 001911 of 1992

IN THE HIGH COURT OF JUSTICE CHANCERY DIVISION

IN THE MATTER of TABS LIMITED and IN THE MATTER of The Companies Act 1985

NOTICE IS HEREBY GIVEN that a petition was on the 21st day of February 1992 presented to Her Majesty's High Court of Justice for the confirmation of the reduction of the share premium account of the above named Company by £2,261,065 from £2,414,664 to £153,599.

AND NOTICE IS FURTHER GIVEN that the said Petition is directed to be heard before the Honourable Mr. Justice Mummery at the Royal Courts of Justice, Strand, London WC2A 2LL on Monday the 30th day of March 1992 at 10:30 am.

ANY Creditors or shareholder of the said Company desiring to oppose the making of an Order for the confirmation of the said reduction of the share premium account should appear at the time of hearing in person or by Counsel for that purpose.

A copy of the said petition would be furnished to any such person requiring the same by the undermentioned solicitors on payment of the Regulated Charge for the same.

Dated this 18th day of March 1992.

Messrs Parker Bullen of 45 Castle street Salisbury Wiltshire SP1 3SS, Solicitors for the above named Company. (ref JSW)

Notice of appointment of joint administrative receivers

APRAX PROPERTIES LIMITED

Registered number: 41519, Nature of business: Property Development, Trade classification: 35, Date of appointment of joint administrative receivers, 10 March 1992, *Name of person appointing the joint* administrative receivers Barclays Bank PLC.

ROBIN MICHAEL ADDY and JOHN FREDERICK POWELL, Joint Administrative Receivers, (Office holder nos 02 and 249). Cork Gully, 43 Temple Row, Birmingham, B2 5JT.

Notice of appointment of joint administrative receivers

RINGLESWAY LIMITED

Registered number: 031085, Nature of business: Dormant, Trade classification:- Date of appointment of joint administrative receivers: 11 March 1992, Name of person appointing the joint administrative receivers: Barclays Bank PLC.

IAN NAPIER CARRUTHERS and DAVID ROBERT WILTON, Joint Administrative Receivers, (Office holder nos 6682 and 5708). Cork Gully, 43 Temple Row, Birmingham B2 5JT

Notice of appointment of joint administrative receivers.

WORSLEY HOMES LIMITED

Registered number:1216897. Nature of business: Property Development. Trade classification: 35. Date of appointment of *joint administrative receivers: 10 March* 1992. Name of person appointing the joint administrative receivers: Barclays Bank plc

ROBIN MICHAEL ADDY and JOHN FREDERICK POWELL, Joint Administrative Receivers, (Office holders nos 02 and 249), Cork Gully, 43 Temple Row, Birmingham, B2 5JT

Notice of appointment of joint administrative receivers

HARDANGER INVESTMENTS (SOUTHERN) LIMITED

Registered number: 262191. Nature of business, Property Development, Trade classification: 35, Date of appointment of joint administrative receivers 10 March 1992, Name of person appointing the joint administrative receivers Barclays Bank PLC.

ROBIN MICHAEL ADDY and JOHN FREDERICK POWELL, Joint Administrative Receivers, (Office holder nos 02 and 249), Cork Gully. 43 Temple Row, Birmingham, B2 5JT

Notice of appointment of joint administrative receivers.

BRESSEL INVESTMENTS LIMITED

Registered number:1117533. Nature of business: Property Development. Trade classification: 35. Date of appointment of joint administrative receivers: 10 March 1992. Name of person appointing the joint administrative receivers: Barclays Bank plc

ROBIN MICHAEL ADDY and JOHN *FREDERICK POWELL, Joint* Administrative Receivers, (Office holders nos 02 and 249). Cork Gully, 43 Temple Row, Birmingham, B2 5JT

Notice of appointment of joint administrative receivers.

PEARCE & CUTLER GROUP LIMITED

Registered number:142681. Nature of business: Holding Company. Trade classification: 23. Date of appointment of joint administrative receivers: 11 March 1992. Name of person appointing the joint administrative receivers: Barclays Bank plc

IAN NAPIER CARRUTHERS and DAVID ROBERT WILTON, Joint Administrative Receivers, (Office holder nos 6682 and 5708). Cork Gully, 43 Temple Row, Birmingham, B2 5JT

Notice of appointment of joint administrative receivers.

HARDANGER INVESTMENTS LIMITED

Registered number:1747759. Nature of business: Property Development. Trade classification: 35. Date of appointment of joint administrative receivers: 10 March 1992. Name of person appointing the joint administrative receivers: Barclays Bank plc

ROBIN MICHAEL ADDY and JOHN FREDERICK POWELL, Joint Administrative Receivers, (Office holders nos 02 and 249), Cork Gully, 43 Temple Row, Birmingham, B2 5JT

Notice of appointment of joint administrative receivers.

HARDANGER (SOUTHERN) LIMITED

Registered number: 2094321. Nature of business: Property Development. Trade classification: 35. Date of appointment of joint administrative receivers: 10 March 1992. Name of person appointing the joint administrative receivers: Barclays Bank plc

ROBIN MICHAEL ADDY and JOHN FREDERICK POWELL, Joint Administrative Receivers, (Office holder nos 02 and 249), Cork Gully, 43 Temple Row, Birmingham, B2 5JT

No. 002643 of 1992

IN THE HIGH COURT OF JUSTICE CHANCERY DIVISION

IN THE MATTER of MFI FURNITURE GROUP LIMITED and IN THE MATTER of The Companies Act 1985

NOTICE IS HEREBY GIVEN that a petition was on the 13th March 1992 presented to Her Majesty's High Court of Justice for the confirmation of the reduction of the share premium account of the above named Company by £175,800,001 to £124,250,000.20.

AND NOTICE is further given that the said Petition is directed to be heard before the Honourable Mr. Justice Mummery at the Royal Courts of Justice, Strand, London WC2A 2LL on Monday the 30th day of March 1992.

ANY Creditors or Shareholder of the said Company desiring to oppose the making of an Order for the confirmation of the said reduction of the share premium account should appear at the time of hearing in person or by *Counsel for that purpose.*

A copy of the said petition will be furnished to any such person requiring the same by the undermentioned solicitors on payment of the Regulated Charge for the same.

Dated this 20th day of March 1992.

CLIFFORD CHANCE, Royex House, Aldermanbury Square London EC2V 7LD. Ref: KO. Solicitors for the above named Company.

Notice of appointment of joint administrative receivers

PEARCE & CUTLER GLASS SERVICES LTD

Registered number: 1433536, Nature of business, Glazing, Merchandising and Ground Floor Treatments, Trade classification: 23, Date of appointment of joint administrative receivers: 11 March 1992, Name of person appointing the joint administrative receivers, Barclays Bank PLC.

IAN NAPIER CARRUTHERS and DAVID ROBERT WILTON, Joint Administrative Receivers (Office holder nos 6682 and 5708), Cork Gully, 43 Temple Row, Birmingham B2 5JT

Notice of appointment of joint administrative receivers.

HARDANGER DEVELOPMENTS PLC

Registered number:1466404. Nature of business: Property Development. Trade classification: 35. Date of appointment of joint administrative receivers: 10 March 1992. Name of person appointing the joint administrative receivers: Barclays Bank plc

ROBIN MICHAEL ADDY and JOHN FREDERICK POWELL, Joint Administrative Receivers, (Office holder nos 02 and 249), Cork Gully, 43 Temple Row, Birmingham, B2 5JT

Notice of appointment of joint administrative receivers.

PEARCE AND CUTLER WINDOWS LIMITED

Registered number: 1425622. Nature of business: Manufacture and Installation of UPVC Windows. Trade classification: 23. Date of appointment of joint administrative receivers: 11 March 1992. Name of person appointing the joint administrative receivers: Barclays Bank plc.

IAN NAPIER CARRUTHERS and DAVID ROBERT WILTON, Joint Administrative Receivers, (Office holders nos 6682 and 5708), Cork Gully, 43 Temple Row, Birmingham, B2 5JT

Notice of appointment of joint administrative receivers.

KEYSHIRE BUILDERS LIMITED

Registered number:1216897. Nature of business: Property Development. Trade classification: 35. Date of appointment of joint administrative receivers: 10 March 1992. Name of person appointing the joint administrative receivers: Barclays Bank plc

ROBIN MICHAEL ADDY and JOHN FREDERICK POWELL, Joint Administrative Receivers, (Office holder nos 02 and 249), Cork Gully, 43 Temple Row, Birmingham, B2 5JT

Notice of appointment of joint administrative receivers

GOLDREACH PROPERTIES LIMITED

Registered number: 2040908, Nature of business, Property Development, Trade classification: 35, Date of appointment of joint administrative receivers: 10 March 1992, Name of person appointing the joint administrative receivers, Barclays Bank PLC.

ROBIN MICHAEL ADDY and JOHN FREDERICK POWELL, Joint Administrative Receivers (Office holder nos 02 and 249), Cork Gully, 43 Temple Row, Birmingham B2 5JT

Prices for electricity determined for the purposes of the electricity pooling and settlement arrangements in England and Wales.

1/2 hour period ending	Provisional Price for Trading on 20.03.92: Pool purchase price £/MWh	Final Prices for Trading on 21.02.92: Pool purchase price £/MWh	Final Prices for Trading on 21.02.92: Pool selling price £/MWh
0030	18.80	17.05	17.05
0100	16.86	17.10	17.10
0130	16.86	17.10	17.10
0200	16.86	17.10	17.10
0230	16.77	17.08	17.08
0300	16.75	17.06	17.06
0330	16.73	17.05	17.05
0400	16.69	17.05	17.05
0430	16.67	17.04	17.04
0500	16.67	17.04	17.04
0530	16.74	17.05	17.05
0600	16.73	17.06	17.06
0630	16.75	17.08	17.08
0700	16.86	17.38	17.38
0730	17.67	18.46	20.00
0800	18.37	18.49	20.03
0830	19.08	18.49	20.03
0900	19.42	18.51	20.05
0930	22.01	20.35	21.98
1000	24.83	20.35	21.97
1030	24.83	18.69	20.24
1100	24.83	18.50	20.05
1130	19.59	18.50	20.04
1200	20.81	18.50	20.04
1230	20.81	18.50	20.04
1300	19.43	18.50	20.03
1330	19.43	17.82	17.82
1400	18.37	17.40	17.40
1430	16.93	17.10	17.10
1500	16.93	17.09	17.09
1530	16.93	17.09	17.09
1600	16.93	17.09	17.09
1630	16.93	17.09	17.09
1700	18.37	17.38	18.88
1730	18.63	18.18	19.71
1800	18.63	20.08	21.66
1830	22.67	20.08	21.66
1900	24.98	20.08	21.64
1930	24.39	18.31	19.83
2000	22.67	17.81	19.32
2030	22.18	17.81	19.31
2100	18.61	17.10	18.69
2130	18.57	17.08	18.57
2200	18.61	17.06	17.06
2230	16.87	17.05	17.05
2300	16.78	17.03	17.03
2330	16.74	17.02	17.02
2400	16.73	17.02	17.02

Prices are determined for every half-hour in each twenty-four hour period. Prices are in pounds per megawatt-hour, rounded to two decimal places. To convert prices to pence per kilowatt-hour the decimal point should be moved one place to the left, eg £16.86/MWh becomes 1.686p/kWh. Provision for the determination of pool prices is made in the Pooling and Settlement Agreements which govern the operation of the electricity pool in England and Wales. The Pool Purchase Price is the basis of the majority of payments made to generators in respect of electricity traded through the pool. The provisional Pool Purchase Price is subject to revision or correction until final pool prices are determined approximately twenty-four days after the day of trading. Pool Selling Price is *the price paid by purchasers of electricity* under the pool trading arrangements. It is dependent upon the determination of Pool Purchase Price. Final pool prices are also capable of revision

NGC Settlements Limited

Brazilian moves spark rally in coffee prices

By Bill Hinchberger in Sao Paulo and David Blackwell in London

WORLD COFFEE prices moved sharply upwards yesterday on overnight news that Brazil's private sector had given the government proposals for a new international coffee pact with economic clauses.

While it remains far from clear exactly what the proposals would entail, Brazilian government officials say that by next week the details will be ironed out on their negotiating position. They will present it to the International Coffee Organisation meeting in London early next month.

London's May robusta contract closed last night at $874 a tonne, up $15 on the day, but still $1 below the high struck during trading last Thursday when Brazilian exporters announced that they were ending their opposition to an export quota system.

In New York, the May arabica contract was 1.20 cents up by midday at 74.9 cents a lb.

Leading associations in all sectors of Brazil's coffee industry – of growers, processors, exporters and instant coffee producers – have reached a consensus in favour of some sort of international quota system. This has convinced the government to run counter to its free market philosophy and support controls on the coffee trade.

As the world's leading producer of coffee, Brazil is being cautious about the effects of a bold announcement of its goals in the negotiations. "This is an enormously sensitive issue," admitted Mr Clódoaldo Hugueney Filho, the foreign ministry's representative at the Wednesday meeting. "It can affect the market, so we are going to be very careful."

Despite the apparent common front in the Brazilian private sector, there are still many dissenting voices opposed to the establishment of quotas. This may help determine the attitudes of Brazilian negotiators at the April 3 meeting of producer countries that will precede the general talks.

Last year, Brazil exported 21m sacks, 33 per cent of the global supply. Mr Pedro de Camargo Neto, president of the Brazilian Rural Society, a producer group opposed to quotas, believes that most Brazilian private sector representatives are not inclined to accept a significant reduction in their output.

"If we go to quotas, it will have to be 30 per cent," he said. "Even my colleagues who are in favour of quotas believe that it has to be an agreement that is good for Brazil."

Mr Lawrence Eagles, analyst with GNI, the London futures brokers, said last night that the Brazilians would have little option but to go for export quotas. The abandonment of export quotas in July 1989 is thought to have cost Latin American producers $6bn in lost revenues.

Observers believe the April ICO meeting will not end with any concrete proposals for a new coffee agreement, but that negotiations will be well in hand. "I think it's very positive," said one analyst yesterday.

"It's the first time for two or three years that the Brazilians have tried to be helpful," said a trader.

Strike hits Australian nickel mine

WESTERN MINING Corporation, the Australian resources group, yesterday refused to comment on a further outbreak of industrial action at its troubled Kambalda nickel mining site in Western Australia, writes Kevin Brown in Sydney.

However, the Australian Workers Union said workers were on indefinite strike over a claim for higher piece work rates for transporting ore to the surface. Mr Ray Delbridge, president of the union's mining division, said there was a "stalemate" between the union and the company. He said no meetings had been scheduled with WMC management.

"The guys have simply lost all confidence in management [and] there has been a complete breakdown in communication. This issue has been bubbling along since September," Mr Delbridge said.

The strike is understood to have affected supplies of ore for smelting, but both Kambalda mills were said to be working. The smelter is also fed by other WMC mines in the area.

WMC shares fell 12 cents to A$4.73 (£2.08) on the Australian Stock Exchange as news of the strike filtered through.

The group lost 14 days nickel production in the December quarter because of industrial action over proposals to replace five-day working with continuous mining in shifts over seven days. WMC announced in November that it intended to abandon plans for a A$105m expansion of nickel production at Kambalda because of opposition from the union, which it said had "reneged" on an earlier deal.

The proposed expansion would have increased deep mining at several mines in the Kambalda area, where WMC produces about 35,000 tonnes of nickel a year.

Optimism costs smelters dear

By Kenneth Gooding, Mining Correspondent

ALUMINIUM PRODUCERS had only themselves to blame for present excess supply, high stocks and low prices, suggested Mr Ivor Kirman, marketing director of Inco Europe, yesterday.

He said metals businesses could broadly be classified into two groups – those run by optimists and those run by realists. "Metals [industries] which were run by optimists typically have expanded capacity too fast, now have more than 30 per cent over-capacity and have built up substantial finished stocks. Examples include aluminium and charge chromium [ferrochrome].

"Metals run by realists typically have capacity only marginally over current demand and have built up limited stocks. Examples include copper and nickel," Mr Kirman pointed out at a Canadian Mining Investment seminar in London.

The aluminium industry was already heading for over-capacity before its position was further worsened by the collapse of the former Soviet Union and the sudden jump in its aluminium exports, he insisted.

Mr Kirman said the "realists" were clearly in better shape to weather the present recession and would be the first to benefit from any price recovery.

"The optimists are currently suffering and will have to wait for their reward until later in the decade."

Experience suggested that when stocks of a metal were less than about six weeks consumption there was the potential for any significant demand improvement to lead to a dramatic price rise, Mr Kirman pointed out. Conversely, if stocks exceeded three to four months consumption, there would be enough metal to meet restocking demand and prices were unlikely to flare up. "Between the two is an interesting area where price will be most strongly influenced by the actual behaviour of producers, converters and fabricators."

At present copper stocks represented five to six weeks of consumption; nickel stocks six to eight weeks; zinc, six to eight weeks; aluminium eight to ten weeks; charge chrome 12 to 15 weeks and molybdenum 40 weeks.

On this basis, "nickel and copper are in relatively good shape, aluminium less so, charge chrome and molybdenum look like sad cases requiring a long, sustained demand boom to move prices dramatically".

Mr Kirman said that the greatest uncertainty in the metals markets was about "distress" exports from the former Soviet Union. Confusion was likely to last at least another year. "While it reigns, decision making in the metals industry will be even riskier than usual."

Inco, the western world's biggest nickel producer, estimated that the Commonwealth of Independent States produced about 300,000 tonnes of nickel last year and consumed domestically 160,000 tonnes. This left 30,000 tonnes for export to the former eastern bloc countries and 110,000 for export to the west. This year CIS production would be down but domestic consumption was likely to fall even further.

Gold price retreat continues

By Kenneth Gooding

AS GOLD slumped to new near-six-year lows yesterday dealers desperately attempted to identify the east European central bank said to be responsible for the wave of selling that has put relentless downward pressure on the price this week.

Ms Rhona O'Connell, analyst with the Williams de Broe financial services group, pointed out that, once the market identified the bank, it would know how much gold was likely to sold. She said the Baltic states, which had six tonnes of gold returned by the UK and Sweden recently, were most likely to be responsible.

Five central banks – those of Poland, Hungary, Romania, Czechoslovakia and Yugoslavia – told Reuter they had not sold the gold.

In London at one stage yesterday the metal's price dropped to $336.0 a troy ounce. It closed at $336.85, down $3.75.

Mexican oil giant raises production

PETROLEOS MEXICANOS, Mexico's oil giant, has celebrated the 54th anniversary of its foundation by releasing a string of figures revealing increases in production and export volumes and productivity improvements, writes Damian Fraser in Mexico City.

Nevertheless, the news was tempered by yet another fall in Pemex's official reserves to 65bn barrels, in oil equivalent terms, from 65.5bn in 1990. Further, income from hydrocarbons and petrochemicals exports dropped from $10bn in 1990 to $8.15bn last year, reflecting lower oil prices, and Mexico imported a record $1.25bn worth of petroleum and petrochemical products, mainly due to purchases abroad of an average 68,200 barrels of oil a day.

Overall, Mexico's trade surplus in oil fell from $9bn in 1990 to $6.9bn last year.

The apparent contradiction between rising production and increasing imports stems from booming domestic demand in refined products that Pemex has been unable to meet. Pemex announced it would start building a new refinery in January 1993 to meet this gap, and invest heavily in providing cleaner, environment-friendly fuels. It also claimed the fall in reserves would be reversed this year because of important new discoveries.

Pemex's total crude production rose to 2.676m barrels a day in 1991, up 4.7 per cent on 1990, of which exports equalled exports 1.369m b/d, up 6.5 per cent. Pemex has increased production by 10 per cent since 1987, despite cutting its workforce from more than 200,000 people to current level of just over 150,000.

Honduras legislates for farm recovery

Ian Walker reports on a wide-ranging reform of agricultural laws

THE HONDURAS government is boasting that it has "the most comprehensive agricultural policy law in Latin America" after the passing earlier this month of an important measure streamlining farming legislation. And it now expects the disbursement during April of a $70m agricultural sector structural adjustment loan from the World Bank and Interamerican Development Bank, which was conditional on the reform package.

The measure, which amends 20 previous laws and decrees, clarifies land tenure rules and pricing and credit policies, and aims to reinforce the boost to agriculture from 1990's lempira devaluation, which triggered price rises.

The legislation follows tortuous negotiations between the government, ranchers and peasant organisations. A mid-1991 draft drew heavy criticism from peasants but the final version is supported by the leaders of about 80 per cent of organised peasants. Left wing protestors blocked roads in some parts of the country, reviving the tactics successful earlier in forcing the reversal of a forestry concession to Stone Container Corporation, the US paper group. But they failed to make much impact on the National Congress.

On land tenure, the law simplifies the 1975 Land Reform, leaving just two grounds for compulsory redistribution: abandonment for 18 months (or two years in exceptional cases), and individual holdings above the (generally high) ceilings established in the 1975 law. Joint ownership, renting and technically inefficient exploitation all disappear as grounds for redistribution. Mr Roger Norton, an American economist – the major intellectual influence behind the law – hopes that market incentives will succeed where bureaucratic rules failed. "The single greatest lesson of eastern Europe is that you can't mandate efficiency from the state," he says.

The law also scraps the five-hectare minimum area for land titles, and requires the National Agrarian Institute to speed the land titling process. These measures aim to boost investment, by giving farmers an incentive to make improvements and by establishing loan collateral to increase their access to credit.

Members of Honduras' 2,800 land reform co-operatives will receive individual, negotiable shareholdings and will be allowed to break their farms up into personal units. Future land reform beneficiaries – which for the first time will include women in their own right – will decide the form of their tenure for themselves. Under the 1975 law, the institute promoted large scale co-operative enterprises, which generally proved unsuccessful. During 1991 there was a controversial wave of sales of north coast co-operatives' land to banana companies. In future, such sales will carry a 20 per cent tax to reflect the value of public investments in the reform sector. Joint investments by reform enterprises and private corporations are also legalised.

The law's critics argue that it rings the death knell of land redistribution, casting in stone the existing, highly polarised tenure structure. But its advocates stress that compulsory redistribution has been a failure. They argue that simplified rules will revive the land reform, while liberalisation will foster redistribution to small farmers through non-confiscatory mechanisms such as renting. Coupled with improved grain prices, according to Mr Norton, this should mean that "one of the main effects of this law will be to reduce rural poverty". However the government vetoed his proposal for a progressive land tax, designed to stimulate a break-up of large estates.

Grain prices should be reinforced by the institutionalisation of changes in the agricultural trade regime, implemented over the last year, including the abolition of the state monopoly of foreign trade in grains, and 15 per cent import tariffs for grains (20 per cent for processed products), which should keep the sector profitable. Previously, grain imports were tariff-free. Along with other Central American republics, Honduras has established a price band system to insulate domestic grain prices from sharp fluctuation in world prices. Linked to this is the opening of free trade in grains within Central America, and Honduras hopes to be a net exporter to the region as it was in the 1960s.

The government hopes these changes will stabilise grain prices at profitable levels. At the end of 1991, prices collapsed when private traders linked to the armed forces imported large volumes of rice and maize just before the national harvest. They were encouraged by a temporary reduction in import tariffs to 5 per cent, leading to allegations of corruption from opposition politicians. As a result of the imports, producer prices for maize fell below $6 a quintal (100 kg), discrediting the agricultural liberalisation strategy in the eyes of many producers. The 15 per cent tariff levels should keep prices above $ a quintal during 1992.

Other important changes in the modernisation law include the rationalisation of the state agricultural development bank, Banadesa. The bank's trust fund activities are to be transferred to a new network of rural credit houses managed by peasant organisations and in future, Banadesa lending will concentrate on small grain producers, with loans to state bodies banned and big farmers also excluded. A state land bank is to be established to reinforce the land reform process and reform beneficiaries are to receive grants of seed capital.

Wool demand moves ahead of production

By David Blackwell

RAW WOOL demand is outstripping new supplies for the first time in several years, leading to better prices and the chance for the orderly disposal of stocks, according to the International Wool Textile Organisation.

The US, Japan and Italy appear to be leading the textile industry out of recession, while there is strong growth in demand from China, the organisation says in a new publication entitled International Wool Textile Overview. Latest figures show a 1 per cent year-on-year increase in wool textile manufacturing activity after almost three years of decline.

"The progress, albeit small, that is being made towards liquidating the stockpiles in Australia and New Zealand gives room for greater optimism for the future," the report suggests.

World Wool Supply ('000 tonnes)

	1986-87	1987-88	1988-89	1989-90	1990-91	1991-92
Production	1,771	1,812	1,866	1,961	1,927	1,734
Carry-over	17	96	73	132	526	719
Total	1,788	1,908	1,939	2,093	2,453	2,453

Source: IWTO estimates

Wool growers in Australia, the world's biggest supplier, have sharply reduced their flocks not only because of the financial hardship following the end of the Australian Wool Board's price support measures, but also through drought and other adverse climatic factors.

"The latest indications are that world wool production has been cut back by as much as a tenth," the report says. Almost three-quarters of the cut has been achieved by the Australians.

As a result the availability of world supplies for 1991-92 has remained unchanged at 2.45m tonnes clean in spite of the unprecedented level of stocks carried forward from the previous season. This was accumulated before Australia and New Zealand returned to a free market in wool early last year.

Stocks carried forward from 1990-91 are now put at a record 719,000 tonnes clean, 37 per cent up on the previous season. At current rates this represents about eight months requirements by the main importing countries.

The latest estimate of wool production this season is 1.73m tonnes clean. "This takes production back to what it was in the mid-eighties," says the report.

WORLD COMMODITIES PRICES

MARKET REPORT

ALUMINIUM prices broke above chart targets on the LME to end firmer. Dealers said three-month metal moved above resistance around $1,320 a tonne when US speculative buying touched off buy-stops, although profit-taking emerged above $1,330 a tonne. LME stocks today are forecast to rise by up to 3,000 tonnes. **NICKEL** moved off earlier lows on talk that the Kambalda strike was escalating. The initial declines towards $7,400 a tonne for three-month metal attracted Chinese buying and merchant covering, dealers said. Fresh arrivals of Russian nickel are expected, and will keep the market under some pressure. LME warehouse stocks are likely to rise today. Nearby London **COCOA** prices closed ahead after rallying on the dollar's strength against sterling. Dealers said short-covering, some industry offtake and talk of fund buying all helped to support prices, lifting the market off lows reached on unconfirmed rumours of origin sales. The market was still looking for estimates of the Ivory Coast mid-crop which could be more than 125,000 tonnes. In Chicago widespread market talk of large-scale damage to **WHEAT** crops in the High Plains region contributed to firmer prices by midday.

Compiled from Reuters

London Markets

SPOT MARKETS

Crude oil (per barrel FOB)		+ or -
Dubai	$15.85-5.95z	+.175
Brent Blend (dated)	$17.65-7.70	+.025
Brent Blend (May)	$17.85-7.90	+0.05
W.T.I. (1 pm est)	$19.30-9.35z	+0.05

Oil products (NWE prompt delivery per tonne CIF)		+ or -
Premium Gasoline	$196-199	-0.5
Gas Oil	$161-162	-1
Heavy Fuel Oil	$72-74	-0.5
Naphtha	$165-166	-4

Petroleum Argus Estimates

Other		+ or -
Gold (per troy oz)♣	$336.85	-3.75
Silver (per troy oz)♣	402.0c	-4.7
Platinum (per troy oz)	$346.25	-6
Palladium (per troy oz)	$83.75	-0.65
Copper (US Producer)	106.10c	+0.04
Lead (US Producer)	37c	
Tin (Kuala Lumpur market)	14.19r	
Tin (New York)	260.0c	-1
Zinc (US Prime Western)	62c	
Cattle (live weight)†	108.69p	-0.92*
Sheep (live weight)†♣	100.85p	+0.49*
Pigs (live weight)†	100.85p	+2.35*
London daily sugar (raw)	$212.5v	+1.8
London daily sugar (white)	$271.5v	+2.9
Tate and Lyle export price	£231.5	+2
Barley (English feed)	£121.5	
Maize (US No. 3 yellow)	£148.0	
Wheat (US Dark Northern)	Unq.	
Rubber (Apr)♥	54.00p	+0.5
Rubber (May)♥	54.25p	+0.5
Rubber (KL RSS No 1 Mar)	213.0m	+1
Coconut oil (Philippines)§	$625.0v	-20
Palm Oil (Malaysian)§	$405w	+5
Copra (Philippines)§	$435.0w	+5
Soyabeans (US)	£158.0q	+2
Cotton "A" index	55.15c	+0.45
Wooltops (64s Super)	452p	-17

£ a tonne unless otherwise stated. p-pence/kg. c-cents/lb. r-ringgit/kg. q-Mar t-Jun/Jly u-Jan/Mar v-Apr/May y-Feb/Mar w-Apr z-May. †Meat Commission average fatstock prices. * change from a week ago. ♥London physical market. §CIF Rotterdam. ♣ Bullion market close m-Malaysian cents/kg. ♣Sheep prices are now live weight prices.

SUGAR – London FOX ($ per tonne)

Raw	Close	Previous	High/Low
May	186.40	186.20	187.00 185.60
Aug	190.00	189.40	188.60
Oct	191.40	190.60	190.20
Dec	189.00		190.00
White	**Close**	**Previous**	**High/Low**
May	268.4	268.0	269.0 267.0
Aug	268.9	269.7	269.6 268.5
Oct	260.5	261.6	260.8 260.0

Turnover: Raw 175 (147) lots of 50 tonnes. White 1029 (1370)
Paris- White (FFr per tonne): May 1532.65 Aug 1557.70

CRUDE OIL – IPE ($/barrel)

	Latest	Previous	High/Low
May	17.89	17.77	17.91 17.71
Jun	17.98	17.86	17.98 17.81
Jul	17.90	17.82	17.90 17.78
Aug	17.92	17.77	17.92 17.79
Sep	17.82	17.81	17.82 17.82
Oct	17.82	17.88	17.85 17.82
IPE Index	17.84	17.86	

Turnover 6784 (10237)

GAS OIL – IPE ($/tonne)

	Close	Previous	High/Low
Apr	160.00	160.75	161.25 158.50
May	161.50	162.25	163.00 161.50
Jun	163.00	163.50	164.50 163.00
Jul	164.75	165.25	166.25 164.75
Aug	166.75	167.25	168.00 166.50
Sep	168.50	169.25	169.75 168.50
Oct	171.00	172.00	172.00 170.75
Nov	172.75	173.50	174.25 172.50

Turnover 11298 (7487) lots of 100 tonnes

INDICES

REUTERS (Base: September 18 1931 = 100)			
Mar.19	Mar. 18	mnth ago	yr ago
1616.7	1615.3	1601.1	1721.3

DOW JONES (Base: Dec. 31 1974 = 100)	Mar.18	Mar.17	mnth ago	yr ago
Spot	118.14	117.10	119.07	124.18
Futures	122.17	122.06	121.90	128.56

COCOA – London FOX (£/tonne)

	Close	Previous	High/Low
Mar	655	649	650 644
May	680	670	680 663
Jul	709	699	709 692
Sep	732	725	732 717
Dec	768	758	762 752
Mar	796	791	789 786
May	817	812	808
Jul	836	830	829 827
Sep	859	851	859 845

Turnover: 5494 (2440) lots of 10 tonnes
ICCO indicator prices (SDRs per tonne). Daily price for Mar.18 826.36 (833.18) 10 day average for Mar.19 825.57 (827.07)

COFFEE – London FOX ($/tonne)

	Close	Previous	High/Low
Mar	862	855	865 855
May	874	859	884 867
Jul	897	879	903 888
Sep	912	897	920 905
Nov	931	916	933 924
Jan	950	939	955 945

Turnover:6151 (3286) lots of 5 tonnes
ICO indicator prices (US cents per pound) for Mar.18: Comp. daily 57.58 (57.12) 15 day average 56.03 (55.78)
Sterling close: March £503

POTATOES – London FOX (£/tonne)

	Close	Previous	High/Low
Apr	111.5	113.8	113.5 111.3
May	127.5	132.5	132.0 127.0
Apr	129.5	128.5	129.5 129.0

Turnover 318 (84) lots of 20 tonnes.

SOYAMEAL – London FOX (£/tonne)

	Close	Previous	High/Low
Jun	126.00	125.00	126.00
Aug	128.00	127.00	128.00

Turnover 20 (285) lots of 20 tonnes.

FREIGHT – London FOX ($10/index point)

	Close	Previous	High/Low
Mar	1242	1245	1253 1242
Apr	1310	1325	1340 1305
May	1295	1300	1303 1293
Jul	1139		1150 1139
Oct	1278		1290 1278
BFI	1223	1222	

Turnover 228 (155)

GRAINS – London FOX (£/tonne)

Wheat	Close	Previous	High/Low
Mar	124.45	125.25	124.60 124.55
May	126.50	127.70	127.15 126.90
Jun	128.70	129.45	129.00 128.60
Sep	113.05	113.35	113.05 113.00
Nov	116.25	116.60	116.30 116.10
Barley	**Close**	**Previous**	**High/Low**
May	117.50		117.50

Turnover: Wheat 196 (167). Barley 10 (0).
Turnover lots of 100 Tonnes.

PIGS – London FOX (Cash Settlement) p/kg

	Close	Previous	High/Low
May	119.5		119.6 119.2
Jun	116.5	118.5	118.5 116.3
Jul	111.5	112.0	111.0
Aug	108.5	109.0	108.0

Turnover:27 (47) lots of 3,250 kg

LONDON METAL EXCHANGE (Prices supplied by Amalgamated Metal Trading)

	Close	Previous	High/Low	AM Official	Kerb close	Open Interest
Aluminium, 99.7% purity ($ per tonne)						Total daily turnover 34,732 lots
Cash	1303-5	1284-5	1290	1289.5-90		
3 months	1328-30	1310-1	1333/1313	1314.5-5	1328-9	173,390 lots
Copper, Grade A (£ per tonne)						Total daily turnover 19,982 lots
Cash	1301.5-2.5	1287.5-8.5	1299	1298.5-9		
3 months	1329-9.5	1315.5-6	1329.5/1323	1325-6	1327-8	109,643 lots
Lead (£ per tonne)						Total daily turnover 2,490 lots
Cash	307-7.5	304-5	307.5	307.5-8		
3 months	318-9	315.5-6	321/318	318-8.5	319-9.5	15,394 lots
Nickel ($ per tonne)						Total daily turnover 4,404 lots
Cash	7370-80	7380-90	7360/7355	7355-60		
3 months	7455-65	7470-5	7475/7425	7440-5	7460-5	23,754 lots
Tin ($ per tonne)						Total daily turnover 1,325 lots
Cash	5580-600	5595-605		5605-10		
3 months	5625-30	5635-40	5660/5625	5640-5	5625-30	5,621 lots
Zinc, Special High Grade ($ per tonne)						Total daily turnover 10,643 lots
Cash	1228-30	1229.5-30.5	1231	1231-2		
3 months	1236-7	1237-8	1245/1234	1238.5-9.5	1235-6	48,719 lots

LME Closing £/$ rate:
SPOT: 1.7115 3 months: 1.6946 6 months: 1.6618 9 months: 1.6413

LONDON BULLION MARKET (Prices supplied by N M Rothschild)

Gold (fine oz)	$ price	£ equivalent
Close	336.70-337.00	
Opening	338.90-339.20	
Morning fix	338.50	196.802
Afternoon fix	337.80	196.966
Day's high	339.00-339.30	
Day's low	336.10-336.40	

Loco Ldn Mean Gold Lending Rates (Vs US$)			
1 month	3.61	6 months	3.70
2 months	3.61	12 months	3.86
3 months	3.61		

Silver fix	p/fine oz	US cts equiv
Spot	233.95	401.60
3 months	240.10	405.70
6 months	246.56	410.40
12 months	259.00	421.55

GOLD COINS (Prices supplied by Engelhard Metals)

	$ price	£ equivalent
Krugerrand	338.00-339.00	197.00-197.50
Maple leaf	349.00-350.00	203.75-204.25
New Sovereign	83.00-84.00	48.50-49.00

TRADED OPTIONS

Aluminium (99.7%) (Mar. 19)	Calls		Puts	
Strike price $ tonne	May	Jun	May	Jun
1250	69½	82	17	22
1350	20	31	67	70
1450	4	8½	149	148
Copper (Grade A) (Mar. 18)	**Calls**		**Puts**	
2150	97	104	8	11
2250	29	40	36	46
2350	4	10	110	116
Coffee	**May**	**Jul**	**May**	**Jul**
800	74	105	1	9
850	34	68	11	22
900	11	40	38	44
Cocoa	**May**	**Jul**	**May**	**Jul**
725	5	27	50	43
750	2	18	72	59
775	1	13	96	79
Brent Crude	**May**	**Jun**	**May**	**Jun**
1750	40		23	46
1800		54	45	69
1850	11	31		

New York

GOLD 100 troy oz.; $/troy oz.

	Close	Previous	High/Low	
Mar	338.8	338.4	0	0
Apr	339.1	338.8	339.9	336.3
May	340.1	339.9	0	0
Jun	341.2	341.0	342.0	336.6
Aug	343.5	343.3	344.0	341.0
Oct	345.9	345.7	345.3	343.8
Dec	348.5	348.3	349.0	346.5
Feb	351.1	350.9	350.5	350.5
Apr	353.8	353.6	352.6	352.6

PLATINUM 50 troy oz; $/troy oz.

	Close	Previous	High/Low	
Mar	350.8	350.6	0	0
Apr	350.0	346.9	352.0	343.5
Jul	348.5	345.4	350.5	341.2
Oct	352.0	348.4	348.0	345.0
Jan	352.0	348.4	354.0	346.6

SILVER 5,000 troy oz; cents/troy oz.

	Close	Previous	High/Low	
Mar	412.1	403.0	410.5	400.0
Apr	412.8	403.6	0	0
May	414.2	405.2	415.5	401.0
Jul	417.5	408.6	419.0	404.0
Sep	421.4	412.4	417.0	410.0
Dec	427.4	418.4	429.0	415.0
Jan	429.2	420.2	0	0
Mar	433.9	424.8	432.0	423.5

HIGH GRADE COPPER 25,000 lbs; cents/lbs

	Close	Previous	High/Low	
Mar	102.15	102.15	102.40	101.90
Apr	102.15	102.05	102.15	102.00
May	101.95	101.95	102.30	101.70
Jun	101.75	101.75	0	0
Jul	101.50	101.55	101.75	101.35
Aug	101.25	101.25	101.40	101.30
Sep	101.15	101.15	101.25	100.95
Oct	101.00	101.00	0	0
Nov	100.90	100.90	0	0
Dec	100.80	100.80	101.00	100.75

CRUDE OIL (Light) 42,000 US galls $/barrel

	Latest	Previous	High/Low	
Apr	19.27	19.07	19.27	18.96
May	19.48	19.21	19.48	19.10
Jun	19.52	19.26	19.52	19.18
Jul	19.45	19.28	19.45	19.20
Aug	19.40	19.23	19.40	19.20
Sep	19.32	19.19	19.32	19.17
Oct	19.25	19.16	19.27	19.12
Nov	19.30	19.14	19.23	19.23
Dec	19.29	19.13	19.25	19.10
Jan	19.15	19.07	19.15	19.15

HEATING OIL 42,000 US galls; cents/US galls

	Latest	Previous	High/Low	
Apr	5390	5323	5395	5310
May	5325	5278	5330	5255
Jun	5290	5239	5290	5220
Jul	5310	5259	5320	5250
Aug	5485	5324	5365	5325
Sep	5475	5444	5450	5450
Oct	5525	5549	5549	5540
Nov	5640	5644	5640	5625
Dec	5740	5739	5740	5720
Jan	5790	5769	5800	5730

COCOA 10 tonnes;$/tonnes

	Close	Previous	High/Low	
May	1089	1061	1079	1033
Jul	1106	1088	1117	1070
Sep	1143	1123	1150	1108
Dec	1186	1168	1188	1149
Mar	1220	1209	1208	1186
May	1250	1235	1233	1218
Jul	1274	1262	1261	1248
Sep	1308	1295	0	0
Dec	1343	1330	0	0

COFFEE "C" 37,500lbs; cents/lbs

	Close	Previous	High/Low	
Mar	74.35	73.85	74.00	72.75
May	74.60	73.70	75.20	73.90
Jul	76.15	75.65	77.00	75.90
Sep	78.50	77.85	79.20	78.10
Dec	81.70	81.20	82.25	81.20
Mar	85.00	85.00	85.25	86.00
May	88.75	87.75	0	0
Jul	89.75	90.00	0	0

SUGAR WORLD "11" 112,000 lbs; cents/lbs

	Close	Previous	High/Low	
May	8.43	8.41	8.44	8.34
Jul	8.49	8.48	8.49	8.40
Oct	8.54	8.54	8.55	8.49
Mar	8.68	8.68	8.68	8.62
May	8.70	8.71	8.71	8.66
Jul	8.74	8.76	8.72	8.72

COTTON 50,000; cents/lbs

	Close	Previous	High/Low	
May	56.64	55.85	56.77	55.90
Jul	58.25	57.64	58.35	57.60
Oct	59.93	59.65	60.00	59.70
Dec	60.60	60.15	60.65	60.20
Mar	62.20	61.80	62.20	61.90
May	62.70	62.00	62.00	61.90
Jul	63.20	62.45	0	0

ORANGE JUICE 15,000 lbs; cents/lbs

	Close	Previous	High/Low	
May	141.10	142.95	142.80	141.05
Jul	138.45	140.50	139.90	138.25
Sep	130.00	132.00	131.00	130.00
Nov	122.50	123.50	122.75	122.00
Jan	122.00	122.85	122.00	121.75
Mar	121.75	122.35	121.80	121.00
May	121.75	122.35	0	0
Jul	121.75	122.35	0	0

FRUIT & VEGETABLES

Early forced rhubarb at 45-60p a lb (40-65p) is superb this week, reports FFVIB. Grapes remain a superb choice with Cape seedless at 90p-£1.20 a lb (90p-£1.20). Jaffa oranges at 12-30p each (12-30p) and Spanish strawberries at 65-80p a ½ lb (85p-£1.00) are also good value for money. An excellent vegetable buy is French cauliflower at 50-75p each (60-80p), also good is broccoli at 40-48p a ½-lb (35-45p). Spring cabbage at 25-35p a lb (25-35p) and parsnips at 30-40p a lb (30-40p). The new crop of English watercress is now available at 35-45p a bunch (35-45p), together with radishes at 30-45p a bunch (30-45p).

Chicago

SOYABEANS 5,000 bu min; cents/60lb bushel

	Close	Previous	High/Low	
Mar	593/0	591/0	593/4	588/4
May	599/0	596/6	601/0	594/6
Jul	608/2	606/2	610/0	604/0
Aug	612/2	610/4	614/4	608/4
Sep	615/2	613/2	617/4	612/4
Nov	623/4	620/4	625/4	619/0
Jan	633/0	628/4	634/4	627/4
Mar	642/0	637/0	642/0	636/0

SOYABEAN OIL 60,000 lbs; cents/lb

	Close	Previous	High/Low	
Mar	20.11	20.27	20.25	19.96
May	20.27	20.44	20.46	20.13
Jul	20.59	20.74	20.75	20.44
Aug	20.73	20.92	20.90	20.60
Sep	20.90	21.00	21.02	20.70
Oct	21.00	21.10	21.18	20.88
Dec	21.32	21.43	21.45	21.16
Jan	21.35	21.45	0	0

SOYABEAN MEAL 100 tons; $/ton

	Close	Previous	High/Low	
Mar	179.2	176.5	179.2	176.8
May	181.6	178.9	181.9	179.2
Jul	184.6	182.0	184.8	182.0
Aug	185.8	183.0	185.8	183.4
Sep	186.7	184.4	186.7	184.6
Oct	201.5	198.7	201.5	198.8
Dec	203.0	200.2	203.5	200.0
Jan	203.3	200.5	204.0	200.8

MAIZE 5,000 bu min; cents/56lb bushel

	Close	Previous	High/Low	
Mar	264/6	264/6	266/6	263/4
May	271/0	271/4	271/6	269/4
Jul	275/6	276/2	276/4	274/4
Sep	268/4	269/6	269/6	267/6
Dec	264/4	265/4	265/6	263/6
Mar	271/2	272/2	272/2	271/0
May	275/0	276/0	276/0	275/0

WHEAT 5,000 bu min; cents/60lb-bushel

	Close	Previous	High/Low	
Mar	393/4	391/0	393/6	390/0
May	389/6	386/4	389/6	386/0
Jul	372/6	372/4	374/0	370/4
Sep	375/6	376/0	378/0	374/4
Dec	384/2	385/4	386/2	383/2
Mar	388/0	386/2	389/0	385/4

LIVE CATTLE 40,000 lbs; cents/lbs

	Close	Previous	High/Low	
Apr	77.575	77.500	77.725	77.200
Jun	73.350	73.150	73.475	73.050
Aug	69.550	69.575	69.800	69.350
Oct	69.425	69.325	69.500	69.200
Dec	69.500	69.525	69.800	69.350
Feb	69.025	69.000	69.225	68.950
Apr	70.050	69.975	70.050	0

LIVE HOGS 40,000 lb; cents/lbs

	Close	Previous	High/Low	
Apr	40.875	40.925	41.150	40.650
Jun	46.250	46.300	46.525	45.900
Jul	46.050	46.150	46.250	45.750
Aug	44.375	44.450	44.650	44.100
Oct	41.450	41.675	41.800	41.200
Dec	44.700	44.875	44.950	44.500
Feb	45.675	45.800	45.675	45.600
Apr	43.050	43.200	43.300	43.050

PORK BELLIES 40,000 lbs; cents/lb

	Close	Previous	High/Low	
Mar	36.475	36.300	36.550	35.800
May	37.625	37.100	37.750	36.800
Jul	38.300	37.925	38.400	37.575
Aug	36.425	36.200	36.850	36.350
Feb	48.600	48.800	48.600	48.500
Mar	47.800	48.000	48.200	47.800
May	50.000	50.000	0	0

LONDON STOCK EXCHANGE

Equities steadier but remain nervous

By Terry Byland, UK Stock Market Editor

ATTEMPTS by the London stock market to recover yesterday from its post-Budget gloom were restrained by disappointing statistics on unemployment, wages and unit wage costs, and by mixed signals from the public opinion polls.

The brightest feature was the improvement in stock index futures, where the March contract on the FT-SE Index closed at a premium to cash for the first time for several sessions.

At the opening, the stock market decided to respond to the latest Gallup poll, indicating a two-point lead for the governing Conservative party, rather than to an NOP poll showing a four-point lead for Labour. Shares opened higher but the gain was increased to plus 13 on the Footsie only after the stock index futures made a firm start.

Account Dealing Dates		
*First Dealings:		
Mar 9	Mar 23	Apr 6
Option Declarations:		
Mar 19	Apr 2	Apr 23
Last Dealings:		
Mar 20	Apr 3	Apr 24
Account Day:		
Mar 30	Apr 13	May 5

*New-time dealings may take place from 8.30 am two business days earlier.

The gain was as swiftly reversed when the March futures contract temporarily shed its premium against the underlying cash market, where the Footsie fell to a net loss of 9.8, bringing it to within five points of the 2,550 mark.

Both markets were undermined by news of a further rise in UK unemployment last month, a factor seen as further damaging the government's re-election chances and thus increasing the danger of a "hung" parliament.

However, the market later rallied, and was helped by a firm start on Wall Street, where the Dow gained 9.61 in early trading.

The final reading put the FT-SE Index at 2,467.6, for a gain on the day of 2.9 points. Trading volume remained disappointing and the City of London was still very nervous regarding the progress of the government's re-election campaign. Today brings the close of the Budget trading account in equities, and leaves the market facing a loss of around 130 Footsie points over the period.

UK securities markets have shown disappointment with the size of the Public Sector Borrowing Requirement disclosed in the chancellor's Budget speech and also by the dwindling hopes for a cut in base rates.

Seaq volume edged higher to 484.3m shares from Wednesday's 454.3m; but Wednesday's retail, or customer, value was low at £867.2m, indicating once again that the big institutions are staying on the sidelines until the political outlook clears.

The FT-SE Index finally provided little guide to the market's mood, because it was distorted by movements in a handful of leading shares. Cable and Wireless fell heavily, taking an effective two points off the Footsie, after confirming a re-organisation plan. On the other side of the scale, Midland continued to advance, although some selling was seen at the day's high point; the market hopes for further developments in the merger situation but traders were also taking profits.

Shares in the other UK clearing banks also continued to attract interest as the market wondered what else is in store. Indications that at least one other UK bank had shown interest in acquiring Midland appears to open the door to further reshaping of the industry.

The Midland move also refuelled bid speculation across the range of the market, with some building stocks moving higher as investors tried to identify likely victims in a sector badly shaken by the impact of high domestic interest rates on the construction industry.

Heavy fall in C and W

A REORGANISATION by Cable and Wireless, the telecoms group, sharply depressed the shares. The company is merging its Personal Communications Network (PCN) interests with those of Unitel, another PCN consortium, restructuring its premium services, and expects to make a £50m provision in its current year's results.

The stock finished 28 weaker at 555p, after touching 548p, with turnover of 10m shares easily the heaviest in a single trading session since June 1989.

The shares had already fallen sharply on Wednesday when Mr Peter Van Cuylenburg, formerly one of the leading lights at Mercury, C and W's telecoms division, announced his departure.

Some telecoms specialists viewed the latest moves with dismay. There were also stories circulating in the market that C and W's stockbroker, Cazenove, had been a keen seller of the stock and that a series of profits downgrades were imminent.

Other analysts said they liked the deal but not the way it emerged. Dealers said there had been a series of switching trades, out of C and W shares and into Vodafone, which settled 5 higher at 342p.

Lasmo strong

Another strong performance by Lasmo, which recently won control of Ultramar and is now among the UK's most important oil exploration stocks, left the shares 6 higher at 197p on good turnover.

The market picked up hints that Lasmo has sold its interest in the Wilmington oil refinery, located on the West Coast of the US.

The oil group inherited Wilmington when it acquired Ultramar last December. During the bid battle, Lasmo pledged to sell a number of Ultramar's business's, including Wilmington. Ultramar paid more than £250m for its stake in the refinery in 1988.

Lasmo is scheduled to report preliminary figures next Wednesday, and is therefore in the statutory "closed period" during which it is prevented from disclosing price sensitive information.

Along with other oil exploration stocks, Lasmo shares have come under heavy selling pressure recently, reacting to the weakness of crude oil prices.

Demand for Tarmac

Tarmac, the building materials and construction group, attracted a welter of speculative buying as the market reacted to another wave of stories that Minorco, the international conglomerate associated with the South African mining magnate Mr Harry Oppenheimer, was about to launch a bid for the UK company.

At the close, Tarmac shares were 14 higher at 138p, having reached 142p earlier. The market had been alerted to the bid rumours by the level of turnover; 10m shares was by far the heaviest activity during a single session since January 1991.

Although sceptical about the bid stories, building sector specialists said Minorco had already shown its hand in seeking building materials assets in the past by launching its ultimately unsuccessful bid for Consolidated Gold Fields (ConsGold) around two years ago. Among ConsGold's most sought after assets was Amey Roadstone, the hugely successful aggregates business that ConsGold acquired during the 1970s.

BAT pleases

Delight over the dividend helped BAT Industries to climb 27 to 687p in active trading of 3.5m shares as analysts became increasingly positive on the stock.

Securities house Hoare Govett issued a buy recommendation and a positive note on the company which is expected to reach clients today. Traders said other brokers were contemplating such a move following the release of BAT's strong 1991 results on Wednesday.

Hoare analyst Mr Richard Workman said: "We have raised our rating on the back of the results, which were every bit as good as one could hope." The brokerage concern shifted BAT to a buy from undervalued, and lifted its 1992 profits estimate by £25m to £1.45bn.

Smith New Court, the stockbroker, was said to have placed the majority of a line of 4.5m C.E. Heath shares at 395p, having purchased them for 388p.

Guardian Royal Exchange shot up 13½ to 128p on exceptionally heavy turnover of 14m shares after the group revealed increased losses slightly less than the market had expected, and a reduced dividend when many specialists had been looking for the dividend to be omitted. In recent months the market has responded to intermittent rumours that an overseas stakebuilder has been at work in GRE, although no hard evidence of stakebuilding has emerged to date.

Midland Bank rose 10 more to 350p, with speculators still betting on a bid from Hongkong and Shanghai Banking in excess of 375p a share and possibly as much as 400p. It was pointed out by traders, however, that a number of institutions had been aggressive sellers at the 350p mark.

Selling in the futures market was said to be behind a continuing slide in Glaxo Holdings, which lost 10 to 756p. Analysts added that wholesalers and chemists were concerned about Glaxo's UK distribution methods and this was hurting sentiment.

An announcement by SmithKline Beecham that its Relafen arthritis drug is to be made available in the US helped the shares firm 5 to 885p.

A large agency cross by Lehman Brothers provided backing for Fisons, which rose 4 to 368p on turnover of 7.3m shares. The investment bank crossed 3m shares with institutions at 365p. It was the final part of a large sell order which Lehman has been handling over the past few days.

Specialty chemicals company Laporte fell 13 to 564p ahead of full-year results due next Tuesday. These are not expected to be bad but are likely to herald the placing of Solvay's 8 per cent stake in the company.

Pharmaceutical retailer UniChem gained 4 to 212p after the company came out with raised profits, a bullish statement and the announcement that it had decided not to bid for retailer and pharmaceutical manufacturer Macarthy.

A possible bid lifted Morland by 97 to 470p, amid suggestions that this could be the first sign of Whitbread complying with the wishes of the Monopolies and Mergers Commission in offloading its holdings in regional brewers.

Whitbread owns 43.6 per cent of Morland and would obviously play a key role in the disposal of the company. Wolverhampton & Dudley, down 7 at 604p, was mentioned as a possible bidder on the news that Morland is holding discussions which may lead to a takeover. However, analysts tended to be sceptical, with one arguing that J.A. Devenish, 3 higher at 233p, made more sense on a regional basis as a bidder.

Whitbread "A" shares were little moved by the news, moving in line with the market for a loss of 3 at 415p. Fears of broker downgrades weighed on the shares, with Robert Fleming reducing its estimate of 1992-93 profits to £240m from £285m. Fleming also said that compliance with MMC orders appears to be more difficult for Whitbread than for any other national brewer.

Guinness slipped 14 to 556p in spite of producing profit figures in line with market forecasts. A rise in 1991 profits to £956m from £847m was up to expectations, but a cautiously worded statement led to fears that the future may not be as favourable as analysts had hoped.

Arjo Wiggins Appleton gained 12 to 240p after reassuring comments in the statement accompanying the 1991 results. Profits fell by to £231.5m, below analysts' expectations of about £240m.

Engine-maker Rolls-Royce put on a good performance on a number of considerations, not least an upbeat presentation on Wednesday evening to institutions at Hoare Govett, its broker. There was also talk of strong US buying of the shares, which closed 8 up at 157p, after a recent New York presentation.

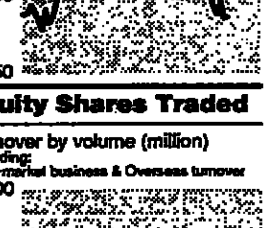
Smith New Court turned buyer of Johnson Matthey, the shares adding 3 at 365p. Mr Peter Deighton, a Smith analyst, said the move was prompted by increased demand for catalytic converters in Europe, and also the US.

MARKET REPORTERS:
Colin Millham, Peter John, Steve Thompson, Christopher Price.

■ *Other market statistics, including the FT-Actuaries Share Indices, Page 24.*

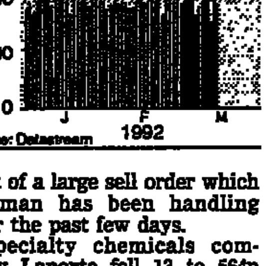
■ Other market statistics, including the FT-Actuaries Share Indices, Page 24.

FT-A All-Share Index



Equity Shares Traded

Turnover by volume (million)
Excluding: Intra-market business & Overseas turnover



Source: Datastream

FINANCIAL TIMES STOCK INDICES

	Mar 19	Mar 18	Mar 17	Mar 16	Mar 13	Year Ago	1991/92 High	1991/92 Low	Since Compilation High	Since Compilation Low
Government Secs	86.10	86.20	86.40	86.13	86.36	84.96	88.55 (27/2/92)	82.17 (2/1/91)	127.40 (9/1/35)	49.18 (3/1/75)
Fixed Interest	99.42	99.48†	99.50	99.62	99.83	94.12	101.56 (19/2/92)	90.59 (2/1/91)	105.40 (28/11/47)	50.53 (3/1/75)
Ordinary Share●	1923.1	1925.8	1940.8	1930.9	1935.8	1970.1	2108.3 (2/9/91)	1606.3 (16/1/91)	2108.3 (2/9/91)	49.4 (26/6/40)
Gold Mines	122.1	121.3	116.0	118.3	123.9	145.3	222.8 (11/7/91)	116.0 (17/3/92)	734.7 (15/2/83)	43.5 (26/10/71)
FT-SE 100 Share	2467.6	2464.7	2491.2	2470.7	2476.0	2474.8	2679.6 (2/9/91)	2054.8 (16/1/91)	2679.6 (2/9/91)	986.9 (23/7/84)
FT-SE Eurotrack 200	1163.58	1165.83	1169.93	1161.33	1168.56	1128.03	1200.08 (4/3/92)	938.62 (16/1/91)	1200.08 (4/3/92)	938.62 (16/1/91)
●Ord. Div. Yield	4.69	4.64	4.63	4.64	4.64	4.92				
●Earning Yld %(full)	6.63	6.60	6.54	6.61	6.58	9.01				
●P/E Ratio(Net)(☆)	19.10	19.19	19.36	19.17	19.24	13.70				
SEAQ Bargns 5.00pm	29,478	29,610	27,873	26,511	27,573	38,059				
Equity Turnover(£m)†	-	867.2	932.7	676.7	1028.6	996.56				
Equity Bargains†	-	33,429	31,431	29,515	30,785	40,546				
Shares Traded (ml)†	-	385.8	402.9	317.1	474.1	459.6				

Basis 100 Govt. Secs 15/10/26, Fixed Int. 1928, Ordinary 1/7/35, Gold mines 12/9/55. Basis 1000 FT-SE 100 31/12/83 & FT-SE Eurotrack 200 26/10/90. ☆ Nil 18.12 †Corrected

Ordinary Share Index, Hourly changes — Day's High 1930.8 — Day's Low 1916.1

Open	9 am	10 am	11 am	12 pm	1 pm	2 pm	3 pm	4 pm
1928.1	1925.3	1930.8	1927.8	1920.1	1917.2	1920.2	1920.5	1921.5

FT-SE 100, Hourly changes — Day's High 2478.1 — Day's Low 2454.9

Open	9 am	10 am	11 am	12 pm	1 pm	2 pm	3 pm	4 pm
2468.5	2465.5	2478.0	2471.9	2459.6	2456.7	2461.5	2461.4	2463.7

FT-SE Eurotrack 200, Hourly changes — Day's High 1167.95 — Day's Low 1161.96

Open	10 am	11 am	12 pm	1 pm	2 pm	3 pm
1166.25	1167.18	1165.13	1163.35	1162.15	1163.54	1164.17

GILT EDGED ACTIVITY

Indices*	Mar 18	Mar 17
Gilt Edged Bargains	104.1	89.6
5 – Day average	101.0	103.9

*SE Activity 1974.
†Excluding intra-market business and Overseas turnover.

London report and latest Share Index: Tel. 0891 123001. Calls charged at 36p/minute cheap rate, 48p/minute at all other times.

TRADING VOLUME IN MAJOR STOCKS

	Volume 000's	Closing Price	Day's change		Volume 000's	Closing Price	Day's change		Volume 000's	Closing Price	Day's change		Volume 000's	Closing Price	Day's change
ADT	40	480	+6	Comm. Union	815	413	+5	Lucas	3,400	125		Shell Transport	2,600	449	−1
ASDA Group	1,500	35	−½	Cookson	145	114		MB Caradon	1,300	260	−3	Siebe	426	614	+9
Abbey National	1,500	276	+5	Courtaulds	815	534	+2	MEPC	458	319	+1	Slough Ests	153	173	+1
Albert Fisher	331	67		Dalgety	163	387	+2	Manweb	66	290	−2	Smith (W.H.) A	1,000	437	−7
Allied-Lyons	1,100	615	−7	De La Rue	241	577	+14	Marks & Spencer	3,400	310	−5	Smith & Nephew	5,900	146	+4½
Amstrad	432	34	−1	Dixons	1,900	216	−3	Midland Bank	10,000	350	+10	SmKl Beecham	977	885	+5
Anglian Water	702	329	−3	ECC Group	384	495	−3	Midlands Elect.	34	245	−1	SmKl Beecham Uts.	178	4060	+17
Argos	1,100	257	−1	Eastern Elect.	283	228	−2	NFC	1,000	240	−2	Smiths Inds.	511	275	
Argyll Group	1,200	324		East Midland Elect.	180	233	−1	NatWest Bank	3,900	297		Southern Elect.	37	244	
Arjo Wiggins	4,000	240	+12	Enterprise Oil	437	387	+8	National Power	3,900	193	−1	South Wales Elect.	32	388	−1
Ass. Brit. Foods	808	421	+2	Eurotunnel Units	73	429	+6	Next	305	65½		South West Water	730	335	+2
Ass. Brit. Ports	691	341	−4	FKI	203	59		North West Water	238	344	+2	South West. Elect.	68	251	−1
BAA	439	545		Fisons	7,300	368	+4	Northern Elect.	123	248		Southern Water	181	322	+2
BAT Inds.	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
BET	[illegible]	[illegible]	[illegible]												
BICC	[illegible]	[illegible]	[illegible]												
BOC	[illegible]	[illegible]	[illegible]												
BPB Inds.	[illegible]	[illegible]	[illegible]												
BTR	[illegible]	[illegible]	[illegible]												
Bank of Scotland	[illegible]	[illegible]	[illegible]												
Barclays	[illegible]	[illegible]	[illegible]												
Bass	[illegible]	[illegible]	[illegible]												
Berisford Int.	[illegible]	[illegible]	[illegible]												
Blue Circle	[illegible]	[illegible]	[illegible]												
Booker	[illegible]	[illegible]	[illegible]												
Boots	[illegible]	[illegible]	[illegible]												
Bowater	[illegible]	[illegible]	[illegible]												
Brit. Aerospace	[illegible]	[illegible]	[illegible]												
British Airways	[illegible]	[illegible]	[illegible]												
British Gas	[illegible]	[illegible]	[illegible]												
British Land	[illegible]	[illegible]	[illegible]												
BP	[illegible]	[illegible]	[illegible]												
British Steel	[illegible]	[illegible]	[illegible]												
British Telecom	[illegible]	[illegible]	[illegible]												
Br. Telecom Pt	[illegible]	[illegible]	[illegible]												
Bunzl	[illegible]	[illegible]	[illegible]												
Burmah Castrol	[illegible]	[illegible]	[illegible]												
Burton	[illegible]	[illegible]	[illegible]												
Cable & Wireless	[illegible]	[illegible]	[illegible]												
Cadbury Schweppes	[illegible]	[illegible]	[illegible]												
Calor Group	[illegible]	[illegible]	[illegible]												
Carlton Comms	[illegible]	[illegible]	[illegible]												
Coats Viyella	[illegible]	[illegible]	[illegible]												

Based on the trading volume for a selection of Alpha securities dealt through the SEAQ system on Tuesday until 4.30pm. Trades of one million or more are rounded down.

EQUITY FUTURES AND OPTIONS TRADING

A LATE buying spree helped the futures market to its first premium to the cash market in recent sessions as traders reported a busier, but still volatile session, writes Christopher Price.

The March FT-SE contract opened up at 2,471, but was soon sold down to 2,464 before finding buyers. The contract was then squeezed higher to 2,477, its best point of the day, with independent traders taking long positions.

Mild panic selling set in with the release of UK government statistics at 11.30am. The gilts and short sterling markets were knocked and March followed suit, tumbling to 2,455 within five minutes.

With the opening of Wall Street in the afternoon session, the market steadied. But buyers moved in towards the end, squeezing March to 2,471. This was 11 higher than the previous session's close and some 2 points above its estimated fair value premium to cash of about 4. Turnover was a busier 7,233 contracts.

The traded options market was also busier than the previous session, with 29,636 contracts traded. The FT-SE 100 option traded a third of these, while the best-traded stock option was Asda at 3,670 contracts, followed by British Steel and Cable and Wireless.

NEW HIGHS AND LOWS FOR 1991/92

NEW HIGHS (33).
AMERICANS (1) Chrysler, BANKS (1) Midland, BREWERS & DISTILLERS (1) Morland, BUILDING MATERIALS (1) Kalon, ELECTRONICS (1) Hewlett-Packard, ENGINEERING GENERAL (4) Atlas Copco B, Siebe, TI, Wier, FOOD MANUFACTURING (2) Nestle (Br). Do. (Reg). FOOD RETAILING (2) Iceland Frozen, Park, HEALTH & HOUSEHOLD (1) UniChem, HOTELS & LEISURE (1) [illegible], INSURANCE COMPOSITE [illegible] (1) Torchmark [illegible] Fmg. Emrg. [illegible] Split Cap. [illegible] Stag Furniture [illegible] PROPERTY (1) Green Prop.
NEW LOWS [illegible]
BRITISH FUNDS [illegible] 9¼pc 2002 C, Tr. 9pc 2012, Tr. 2½pc IL 2020, Tr. 2½pc IL 2024, AMERICANS (1) Bell Atlantic, BANKS (1) Mitsubishi, BUSINESS SERVICES (3) Automated Sec., Boustead, Gardiner, CHEMICALS (1) Sutcliffe Speakman, CONTRACTING & CONSTRUCTION (3) Higgs & Hill, Laing (J), Do. A, ELECTRICITY (1) Scottish Hydro, ELECTRONICS (1) Harland Simon, ENGINEERING GENERAL (1) Ransomes, FOOD RETAILING (2) Ashley, Do. 8.25p Prf., HEALTH & HOUSEHOLD (2) Kunick, Do. 6¼p Prf., INSURANCE BROKERS (1) Heath (CE), INVESTMENT TRUSTS (16) Abtrust Prf. Inc., City of Oxford Inc., Contra-Cyclical Cap., Drayton Blue Chip, EFM Inc., Gartmore Scot. Units, Kleinwort High Inc., M & G Inc. Geared Units, Do. Cap., Murray Split Cap., Overseas Inv. Wrrnts., River & Merc. Cap., River Plate, Scot. Natl. Inc., St David's Cap., Do. Inc., [illegible] Britannia, Brit. Land, Bucknall, Cap. & Counties 5¾pc Prf., Debenham Tewson & C., Derwent Valley, Fletcher King, Gt. Portland Ests. 9½pc 2002, Helical Bar, London Secs., MEPC, Ossory Ests., Regalian, STORES (2) Mallett, Oliver, TELEPHONE NETWORKS (1) GN Gt. Nordic, TEXTILES (2) Jacques Vert, Jerome, TRANSPORT (2) Eurotunnel Wrrnts., Manchester Ship Canal, MINES (1) Bougainville.

LONDON SHARE SERVICE

BRITISH FUNDS

	Notes	Price £	+ or -	1991/92 high	1991/92 low	Yield Int.	Yield Red.
"Shorts" (Lives up to Five Years)							
8pc 1992 ‡‡		99⅜xd	—	[illegible]	95⅞	8.82	10.12
10½pc Cv 1992‡‡		99⅝	—	100⅞	98½	10.50	10.45
3pc 1992		99¾	—	99¾	91⅛	3.84	8.52
Exch 12¼pc 1992		100¾	—	102⅛	100⅝	12.18	10.45
13½pc 1992		101⅜xd	—	104⅛	101⅜	13.31	10.49
Treas 8¾pc 1993		99⅝	—	99⅞	94	8.38	10.11
10pc 1993‡‡		99⅝xd	—	100¼	97⅛	10.02	10.24
12½pc 1993‡‡		102¾	—	104¾	102⅝	12.17	10.25
Funding 6pc 1993‡‡		95⅝	—	96⅛	89⅝	6.27	9.14
Treas 13¾pc 1993‡‡		105⅛	−⅛	108⅛	105⅛	13.06	10.20
8½pc 1994		97⅝	—	98½	92¾	8.72	10.03
14½pc 1994‡‡		107⅞	—	111⅞	107¾	13.50	10.22
Exch 13½pc 1994		106⅛	−⅛	109	105¾	12.72	10.20
Treas. 10pc Ln. 1994‡‡		99⅞	—	101⅛	96¾	10.02	10.11
Exch 12½pc 1994		104⅞	−⅛	107⅛	103⅞	11.92	10.20
Treas 9pc 1994‡‡		97⅞	−⅛	99¼	93¼	9.21	9.98
12pc 1995		104½	−⅛	106¾	102⅛	11.48	10.13
Exch 3pc Gas 90-95		88⅝	—	88	82¼	3.38	7.23
10¼pc 1995		100⅞	−⅛	102¾	96¾	10.28	10.10
Treas 12¾pc 1995‡‡		107⅞	−⅛	110¾	105⅞	11.81	10.08
14pc 1996		111⅝	−⅛	114⅛	109¾	12.54	10.24
9pc 1992-96‡‡		98⅝	−⅛	100	92¾	9.13	9.39
15¼pc 1996‡‡		118⅞	−⅛	119¾	115¾	13.09	10.24
Exch 13¼pc 1996‡‡		110⅛	−⅛	112¾	108	12.84	10.20
Conversion 10pc 1996		100⅛	−⅛	102⅛	95¾	10.80	9.97
Five to Fifteen Years							
Treas 13¼pc 1997‡‡		111⅞	−⅛	114⅛	108¾	11.87	10.12
Exch 10½pc 1997		102⅛	−⅛	104½	97¼	10.28	9.93
Treas 8¾pc 1997‡‡		95⅛	−⅛	97¾	89¾	9.18	9.89
Exch 15pc 1997		118⅞	−⅛	123⅛	117	12.51	10.24
9¾pc 1998		99⅛	−⅛	101¾	93¾	9.84	9.97
Treas 6¾pc 1995-98‡‡		87⅞	+⅛	80⅛	80⅝	7.89	9.42
15½pc '98‡‡		125xd	−⅛	128⅞	121¼	12.40	10.18
Exch 12pc 1998		108¼	−⅛	112¾	104⅞	10.98	10.07

BRITISH FUNDS - Cont.

	Notes	Price £	+ or -	1991/92 high	1991/92 low	Yield Int.	Yield Red.
Treas 9½pc 1999‡‡		98⅝	−⅛	101⅝	92¾	9.83	9.79
Exch 12¼pc 1999		110⅞xd	−⅛	114⅛	105¾	11.05	10.06
Treas 10½pc 1999		102¾	−⅛	105¾	97⅛	10.21	9.95
Conversion 10¼pc 1999		101¾	−⅛	104⅞	95¾	10.07	9.92
9pc 2000‡‡		95¾	−⅛	99⅛	89⅞	9.38	9.75
Treas 13pc 2000		118⅛	−⅛	119¾	110½	11.18	10.08
10pc 2001		101⅛	−⅛	104⅛	94⅛	9.88	9.82
14pc '98-01		118¾	−⅛	120⅛	113⅛	11.99	10.26
9¾pc 2002		99¼	−⅛	103⅛	92¾	9.77	9.80
9¾p 2002 C		64¾	−⅛	68⅛	64¾	9.78	9.79
10pc 2003		101¾	−⅛	105¾	94⅛	9.87	9.80
Treas 11½pc 2001-04		108⅛xd	−⅛	112⅛	102	10.59	10.04
Funding 3½pc '99-04		60½	−⅛	63⅛	53⅛	5.79	8.80
Conversion 9½pc 2004		98⅛xd	−⅛	102⅛	90¾	9.66	9.74
9½pc 2004 A		98⅛xd	−⅛	102⅛	98¾	9.66	9.73
9½pc 2005		98⅝xd	−⅛	102⅛	90¾	9.66	9.73
Treas 12½pc 2003-05		117¾	−⅛	122¾	111	10.61	9.90
8pc 2002-06‡‡		86⅞xd	−⅛	90¾	79¾	9.21	9.71
Over Fifteen Years							
Treas 11¾pc 2003-07		112⅛	−⅛	116⅞	105¾	10.48	9.88
8½pc 2007‡‡		91⅛	−⅛	95	84⅛	9.32	9.61
8½pc 2007 A		91⅛	−⅛	94¾	91⅛	9.32	9.16
13½pc '04-08		125⅛xd	−⅛	130¾	118¾	10.79	9.89
9pc 2008‡‡		95⅛xd	−⅛	99⅛	88¾	9.44	9.57
8pc 2009		86⅞xd	−⅛	90¾	80	9.21	9.56
Conv 9pc Ln 2011‡‡		95⅛	−⅛	99¾	88⅛	9.46	9.55
9pc 2011 B		95⅛	−⅛	99⅛	93¾	9.46	9.55
Treas. 9pc 2012		48⅛	−⅛	50¼	46⅛	9.44	9.53
Treas 5½pc 2008-12‡‡		64⅛	−⅛	67¼	58⅛	8.59	9.51
7¾pc 2012-15‡‡		83⅛	−⅛	87¼	76¾	9.32	9.57
Exch 12pc '13-17		121⅞	−⅛	127⅛	113⅛	9.85	9.58
Undated							
Consols 4pc		40⅛	−⅛	42⅛	37¾	9.86	—
War Loan 3½pc‡‡		36¼	−⅛	38⅝	33⅛	9.66	—
Conv 3½pc '61 Aft		59⅝xd	−⅛	61⅛	57¼	5.87	—
Treas 3pc '66 Aft		30⅛xd	—	31½	28¼	9.94	—
Consols 2½pc		25¾xd	—	26¾	23⅝	9.82	—
Treas. 2½pc		25⅛xd	—	28½	23¾	9.93	—

BRITISH FUNDS - Cont.

	Notes	Price £	+ or -	1991/92 high	1991/92 low	Yield Int.	Yield Red.
Index – Linked	(b)					(1)	(2)
Treas. 2pc '94	(102.9)	124¼	−⅛	124¾	115⅛	2.58	3.67
2pc '96	(67.9)	169¼	−⅛	181¾	168¾	3.22	3.76
2½pc '01	(78.3)	144⅞xd	−⅛	147⅝	137⅛	4.34	4.34
2½pc '03	(78.8)	139¾	−⅛	142¾	133	4.17	4.41
2pc '06	(69.5)	140⅛	−⅛	144	135	4.38	4.50
2½pc '09	(78.8)	127⅝	−⅛	131½	124⅛	4.36	4.54
2½pc '11	(74.6)	131⅛	−¼	135⅛	128⅛	4.38	4.53
2½pc '13	(89.2)	107⅝	−¼	111⅛	105⅞	4.38	4.53
2½pc '16	(81.6)	114⅛	−¼	118⅛	113¾	4.38	4.51
2½pc '20	(83.0)	109⅛xd	−¼	113¾	108¾	4.38	4.49
2½pc '24‡‡	(97.7)	90	−¼	95¼	89¾	4.35	4.47

Prospective real redemption rate on projected inflation of (1) 10% and (2) 5%. (b) Figures in parentheses show RPI base for indexing, (ie 8 months prior to issue) and have been adjusted to reflect rebasing of RPI to 100 in January 1987. Conversion factor 3.945 RPI for June 1991: 134.1 and for January 1992: 135.6.

OTHER FIXED INTEREST

	Notes	Price £	+ or -	1991/92 high	1991/92 low	Yield Int.	Yield Red.
African Dev 11⅛ 2010		107⅞	−⅛	111½	95⅞	10.78	10.17
Asian Dev 10¼pc 2009		101⅞	−⅛	105¾	91⅞	10.33	10.01
B'ham 11½pc 2012		104¼	—	108½	100½	11.33	10.98
Ireland Cap 8½pc '10		92¼	—	99¼	88½	8.90	—
9pc Cap 1996		92⅞	+⅛	99¼	92⅛	9.17	—
13pc '97-02		107	—	115½	107	11.35	—
Hydro Quebec 15pc 2011		139½	−⅛	137½	120¾	15.0	10.81
Int-Am Dev 12½pc 2003		114¾	−⅛	118⅛	105¾	11.09	10.26
9¾pc 2015		97¾	−⅛	101⅛	86⅞	10.37	10.03
Leeds 13½pc 2006		117	—	119½	110½	11.69	11.12
Liverpool 3½pc Irred		31	—	31¼	28	11.67	—
LCC 3pc '20 Aft		28	—	28	26	11.11	—
Manchester 11½pc 2007		105	—	107¼	97½	11.27	10.83
Met. Wtr. 3pc 'B'		54½	—	55¼	52	5.77	9.87
N'wide Anglia 3⅞pc 2021		104	—	108¼	102	-	5.58
4¼pc IL 2024		104¼	—	107⅞	104	-	5.29
Utd Mer States 16½pc 2008		122½	—	126	101	13.33	13.12

APPOINTMENTS

Bucking the trend at Salomon

Salomon Brothers, the investment house suffering from waves of defections after last summer's Treasury bond scandal, is congratulating itself on having lured a team from Continental Bank to set up an international structured arbitrage group based in London.

The three, Richard Briffett, 44, Lee Ressegule, 44, and Christopher Warner, 28, previously made up Continental's London international treasury consulting group.

Their combined expertise is very much in the tax and legal sphere, and they will be working on complicated cross-border transactions, particularly in the equity field. Salomon is keen to stress that they will in no way be acting as clients' tax advisers.

Briffett, who set up the group at Continental in 1987, spent eight years with the Inland Revenue before joining Continental; Ressegule has worked as a tax attorney at Sara Lee Corporation and Atlantic Richfield; and Warner is a law graduate with a year at Coopers & Lybrand Deloitte. They are also a highly international bunch – British, American and Dutch respectively.

Salomon is understood to have made the approach before the scandal hit, but negotiations were on hold for some months until the investment house was clearer about its future.

Continental, however, plays down the Salomon "coup", pointing out that it has severely cut down its own London operation. While the team left of its own accord, the US bank says it will not be replacing them.

Meanwhile, Jeremy Bradburne, who resigned as Salomon Brothers International's chief financial officer some months ago, has surfaced at JP Morgan Securities also in the structured finance area. He joins as a managing director in the European capital markets division with responsibility for structured finance products.

Rift forces Hayter to quit

John Hayter, 54, is to part company with the rapidly growing Lloyd's agency group Hayter Brockbank, which he helped form, following a rift between him and the group's senior management.

John Shipton, 57, who joined the group last year following Hayter Brockbank's acquisition of his own members' agency, JK Shipton, takes over as chairman.

A former chairman of CT Bowring, more recently Shipton has been associated with CE Heath Insurance Services – the biggest personal lines broker in the Lloyd's market.

The group decided on a new, more hands-on, management style after a recent review of its operations but Hayter, now 54, refused to stand down as chairman or to continue as a director of the members' agency company, which he founded in 1974 and merged with Alston Brockbank in 1988.

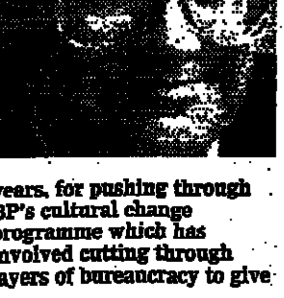
According to George Stevens, group managing director, it was felt that the company needed a cohesive and single-minded approach to the boardroom in order to tackle problems and grasp the opportunities that lay ahead.

■ Ian MacLellan has been appointed a director of CT BOWRING REINSURANCE.

■ Alan Baines and David Wickerson are appointed directors of RICHARDS LONGSTAFF (INSURANCE).

Orange pump-priming for BP Oil

British Petroleum has appointed John Orange to head its BP Oil UK division following the retirement of Viv Thomas after 33 years with the company.



Orange, 49, moves into the UK petrol retailing sector at a time of intense competition for market share as supermarkets challenge the oil companies' business. BP has recently revamped its forecourt set-up and is leading an aggressive assault for motorists' business.

No stranger to a tough position, Orange has been responsible, over the past two years, for pushing through BP's cultural change programme which has involved cutting through layers of bureaucracy to give more responsibility to individual managers. The culture change has been controversial inside the company since it has coincided with a period of substantial job losses for which it has often received the blame.

Orange previously spent 18 months at BP's operations in Iran just before the revolution in 1979. He then returned to London as legal adviser for two years before being made regional co-ordinator for the Middle East. After that he headed BP Denmark and later BP's New Zealand operations.

AMERICANS

	Notes	Price £	+ or -	1991/92 high	low	Mkt Cap£m	Yld Gr's
Abbott Labs		34 7/8 xd	+1/4	38 11/16	20 7/8	14,831	1.9
♥Allegheny & W.		306p	+2	385p	218p	159.0	5.5
Amdahl		1035p	-6	1189p	667p	1,148	0.5
Amer Cyanamid		37	+1	42 1/8	25 3/8	3,450	2.3
Amer Express		12 1/4 xd	—	17 3/4	9 11/16	5,997	4.4
Amer T & T		22 7/8 xd	+1/4	24 1/2	15 1/4	29,879	3.2
Amentech		34 1/8	—	38 7/8	32 1/2	14,841	5.8
BankAmerica		29xd	—	28 3/16	12 1/4	5,435	2.9
Bankers NY		32 13/16 xd	-1/16	38 7/16	20 1/16	2,788	8.3
Bell Atlantic		24 1/8	-1/8	38 1/2	24 1/8	9,487	5.9
BellSouth		28 1/8	-1/8	31 1/4	25	12,871	5.9
♥Bethlehem Steel		8 5/8 xd	+3/16	11 1/4	6 7/16	857.4	–
Bowater		1837pxd	+91	1839p	1042p	652.1	4.4
CPC		50 1/16 xd	+1/2	54 12	37 11/16	3,812	2.5
California Engy		723p	—	930p	420p	131.5	–
Campbell Soup	h	21 1/4	-1/16	28	14 1/8	5,457	1.8
Chase Manhattan		13 7/8 xd	—	14 3/16	5 5/16	1,898	4.9
Chrysler		10 1/8 xd	+1/16	19 3/8	5 3/8	3,082	3.3
Citicorp		9 13/16 xd	+1/8	18 3/8	4 5/8	3,413	–
Colgate-Palm		26 7/8 xd	-1/16	27 5/8	21 1/8	3,908	2.2
Cont'l Bank		840p	+43	878p	435p	640.9	3.6
Dana		21 1/4 xd	+1/4	21 5/8	13 5/8	873.5	4.2
Data General		827p	+12	1282p	203p	173.0	–
Dial		28 3/4 xd	-3/16	29 1/8	12 7/8	1,129	2.8
Dun & Brad		32 1/4	+1/4	32 1/4	20 3/4	5,755	3.8
Eaton		43 3/8	—	43 1/8	24 1/4	1,477	2.9
Echlin		9 13/16 xd	—	10 1/16	5 1/2	588.0	4.0
FPL		19 5/8 xd	+1/8	20 1/8	14 3/16	3,284	7.0
Fluor		23 5/8 xd	+1/16	30 3/4	17 1/16	1,898	1.0
Ford Motor		22 5/8 xd	+5/8	23 1/4	13	18,710	2.5
Gen Elect		45 3/4 xd	-1/8	46 13/16	28 3/4	38,287	2.6
♥General Host		494p	+4	566p	270p	–	4.1
Gillette		27 7/8 xd	-1/8	45 1/4	20 3/4	8,886	1.3
Hasbro	h	15 1/8	+1/8	16	5 3/8	1,322	0.5
Honeywell		41 7/8 xd	-1/4	42 1/16	21 1/4	2,920	2.2
Houston Inds		24	—	24 1/2	17 7/8	3,083	6.9
IBM		50 1/4 xd	+1/16	72 12	46	29,836	5.4
Ingersoll-Rand		37 1/4 xd	+1 1/16	37 1/2	18 1/16	1,931	2.0
Lockheed		28 1/2	+1/8	28 1/8	16 3/8	1,677	4.2
Lowe's		2380p	+11	2478p	1245p	882.2	1.3
Merrill Lynch		32 1/4 xd	+3/16	39 11/16	10 1/16	3,362	1.7
Morgan (JP)		33 13/16 xd	-1/16	38 1/4	21 11/16	6,409	3.6
Morris (Philip)		44 13/16 xd	-5/8	45 3/16	25 3/4	41,604	2.6
NYNEX		41 1/2	+1/4	46 1/4	39	8,417	6.2
♥Pac Agric		42p	—	89p	15p	–	–
Pall		15 1/4	-1/8	17 12	10 1/16	1,337	1.3
Pennzoil		26 1/8 xd	-1/8	46 1/8	25 1/4	1,056	6.5
Quaker Oats		34 1/4 xd	+1/4	40 3/4	24 7/8	2,619	2.8
Rockwell		14 7/8 xd	+1/4	17 3/8	12 1/8	3,394	3.5
Rep NY		24 3/16 xd	-1/16	27 12	16 1/2	1,258	2.3
Sears, Roebuck		26 3/4 xd	—	28 1/16	12 11/16	9,204	4.2
Sthwestern Bell		34	-1/16	35 7/8	25 5/8	10,194	4.7
Sun Co.		16 5/8 xd	+1/16	28 1/4	14 1/8	1,783	6.2
Tenneco		23 1/16 xd	+1/16	27 1/8	14 7/8	2,824	3.9
Texaco		32 13/16 xd	-1/16	40 1/2	29 1/16	8,513	5.5
Time Warner		81 3/4 xd	+1/2	*84 1/2	37 7/8	5,861	0.9
♥Unilab		480p	—	587p	350p	427.3	–
Utd Tech		30 1/2 xd	+3/16	31 1/2	22 7/8	3,789	3.3
♥Unitech		120p	—	120p	42p	–	–
♣URS Intl. 1c		0 1/2p	—	1 1/4p	0 1/8p	1.59	–
US West		19 5/8	—	23	18 1/4	8,817	6.0
Varity		768p	-1	1418p	578p	189.2	–
Waste Manage		23 3/4 xd	-1 1/4	28	16 5/8	11,139	1.1
Whirlpool		2566pxd	+43	2708p	1053p	1,849	2.3
♥Woolworth		17 3/8	+1/2	20 3/4	12 1/4	2,288	3.5

CANADIANS

	Notes	Price £	+ or -	1991/92 high	low	Mkt Cap£m	Yld Gr's
♥Abbot Energy		2p	—	11p	1 3/4p	–	–
Amer Barrick		1435p	-14	1842p	953p	1,960	0.3
Bk Montreal		20 7/8	+1/8	23 1/4	17	2,508	5.5
Bk Nova Scot		1001p	+3	1178p	536p	2,012	4.7
♥BC Gas		838p	+12	870p	639p	–	3.9
BCE		22 1/2	—	24 1/2	17 1/4	6,984	6.9
♥Brascan		885p	+12	1058p	647p	729.9	6.3
♥Breakwater		24 1/2p	+1	38p	6p	15.6	22.0
Can Imp Bk		1568p	-1	1818p	1180p	2,762	4.7
Can Pacific		824p	+12	1100p	756p	2,624	0.3
4pc Deb		35 1/4	-1 1/4	37	30	16.5	11.3
♥Derlan		306p	+2	483p	245p	–	5.0
♥Echo Bay		403p	+3	628p	356p	423.7	1.2
♥ECO		31p	+2	191p	11 7/8p	–	–
Granges		53 1/2p	—	89p	48 1/2p	11.7	–
♥Gulf Can		225pxd	—	520p	225p	346.6	9.6
♥Hawker Sid		12	—	14 1/2	10	98.8	4.9
♥Hudson's Bay		1840p	—	2613p	876p	462.7	2.8
♥Imperial Oil		19 13/16 xd	+3/16	29 1/4	18	3,788	5.0
Inco		17 1/4 xd	+1/4	23 1/8	12 1/2	1,797	3.2
♥Int Corona		354p	+2	552p	316p	583.2	1.4
♥Muscocho		3p	—	4 7/8p	2p	–	–
♥N A Tire Recycling		48p	-1	63p	34 1/2p	1.88	–
Nova Corp Alberta		308pxd	+1	484p	308p	1,193	3.3
♥Rio Algom		883p	+6	1091p	701p	887.1	4.9
Royal Bk Can		1227p	+17	1450p	1022p	3,780	5.1
♥TVX Gold		164p	+4	250p	152p	26.8	–
♥Tarn Pure		2 1/2p	—	15p	1p	–	–
Toronto-Dom		781p	-1	1049p	736p	2,351	5.5
♥Trans Can Pipe		880p	—	979p	719p	1,236	4.8

BANKS

	Notes	Price	+ or -	1991/92 high	low	Mkt Cap£m	Yld Gr's	P/E
ABN Amro Fl		£14 1/8	—	£14 1/4	£9 3/4	3,808	8.3	♦
ANZ A$	q	171	+2	*190 1/2	119 1/2	2,891	5.1	13.0
■Abbey National	q	278xd	+5	311	211	3,618	5.1	8.7
■Allied Irish I£	†	186	—	185	126	1,083	5.6	12.1
■Anglo Irish £1	q	42	-1	*60 1/2	42	58.5	9.8	6.1
Banco Bilbao Pta		£16 7/8	—	£18 5/8	£12 1/2	3,687	5.2	7.2
Banco de San Pta		£38 1/8	—	£38 3/4	£21 11/16	3,345	4.4	♦
■Bk Ireland I£	th	145	-2	173 3/8	115 7/8	583.3	7.3	23.7
Bank Leumi Shk		£19#	—	£19 1/2	£19	139.9	–	–
Bank Leumi (UK)		340xd	—	350	340	25.4	6.3	–
■Bank Scotland	th	109	-1	*128	91	1,251	5.2	23.7
9 1/4 pc Pf		108 3/4	—	115	96 1/2	108.8	11.6	–
9 3/4 pc Pf		112 1/2	—	115 1/2	99 1/2	112.5	11.6	–
■Barclays	q	332xd	+2	488	327	5,315	8.5	57.5
Dai Ichi Kan Y	†	£10 3/8	—	£11 13/16	£7 3/4	32,374	0.4	73.1
Deutsche DM		£253	—	£255 5/8	£191 3/4	11,732	2.1	–
Espirito Santo Pta		£20 7/8	—	£21 1/2	£18 1/4	228.2	2.0	9.7
Fuji Bank Y	‡	878	+83	1262	845	25,421	‡	54.4
HSBC HK$		300	-10	338	174	4,890	4.6	–
Kyowa Sak Y		371	+8	585	383	6,608	0.9	34.9
■Lloyds		387	+12	427 1/2	268	4,863	5.8	14.3
■Midland	♦	350xd	+10	351	150	2,747	1.3	♦
Mitsubishi Y	‡	£9 3/4	+1/4	£13 3/4	832	28,841	‡	59.4
Mits Tst & Bk Y		£5 1/8	+1/8	£8 5/8	£4 1/4	6,674	0.7	10.8
Mitsui Taiyo Y		£5 1/4	+1/8	£9	£5	18,983	0.7	44.0
Mitsui Tst & Bk Y		554	—	896	507	6,637	0.7	26.2
Nat Aust A$		322	+5	383	207	3,991	6.0	11.9
■NatWest		297xd	—	357 1/2	246	4,881	7.9	♦
Ottoman		£135	—	£207 1/2	£100	87.5	8.1	12.4
■Ryl Bk Scotland		174	+1	211	144	1,382	6.7	47.4
Sanwa Y		£8 7/8	-1/8	£18 11/16	£8 7/8	19,824	0.6	35.8
Sec Pacific $	♦	£21 1/2	-1/8	£22 1/2	£9 3/4	2,736	–	–
■Standard Chartd	q	447	-3	478	205	1,847	6.1	8.9
Sumitomo Y	th	£7 1/4	+1/4	£11 1/2	£7 1/16	24,341	0.5	28.6
Sumitomo Tst Y		£4 1/8	+1/4	£7 1/4	£4 1/2	5,906	0.8	28.5
■TSB		133	+3	166	111	2,005	6.4	–
TSB Ch'nel Is		145	—	159	112	21.3	6.0	4.9
Tokai Y		£6	+1/8	£7 1/2	£4 7/8	10,142	0.8	48.3
Toyo Tst & Bk Y		494	+20	798	474	3,882	0.8	37.9
Westpac A$		168	+2	224	128	2,853	7.0	12.9
Yasuda Tst Bk Y		463	+20	817	443	6,187	0.8	32.6

BREWERS & DISTILLERS

	Notes	Price	+ or -	1991/92 high	low	Mkt Cap£m	Yld Gr's	P/E
■Allied-Lyons	†	615	-7	712	460	5,382	4.1	14.6
Anheuser-Busch $		£33 1/4	+1/8	£34 3/4	£20 7/8	9,449	1.9	–
■Bass	h	533	+3	*561	441	4,589	4.5	11.6
■Boddington	†	177	-3	190	134	184.4	4.5	12.8
Bulmer (HP)	†	288	+6	291	173	138.3	4.2	14.9
■Burn St Dst	R	145	—	167	140	86.8	4.6	11.2
Burtonwood		127	—	143	98	26.5	4.5	7.3
■Devenish (JA)		233	+3	245	135	125.3	3.6	16.6
4 1/2 pc Cv Pf		168	—	175	100	12.5	3.8	–
♣Eldridge Pope A		95	—	128	83	18.5	3.7	21.9
Fosters A$	†	83	+1	88	51	1,859	1.3	18.7
♣Fuller, STA	†	435	+10	458	360	87.9	1.9	17.6
■Grand Met		877	-9	963	623	8,928	3.5	14.1
■Greenalls		388	+1	411	274	535.1	3.8	12.1
5.95pc Cv Pf		189	-1	199	132	44.4	4.2	–
Greene King	†	505	—	507	374	213.1	2.9	13.0
■Guinness	q	596	-14	625	358 1/2	10,858	2.6	15.5
5 3/4 pc Cv Pf		306	-9	344	196	181.8	2.5	–
8 3/4 pc Cv		£374 1/2	-7	£428	£246 1/2	50.1	2.3	–
■Highland		298	—	308	225	369.3	2.5	19.7
♣Hoskins		38	—	45	21	1.50	–	22.8
■Invergordon	H	272	—	278	138	346.1	3.2	19.3
Kirin Y		547	+25	669	522	5,786	0.7	♦
Macallan-Glen	†h	179	—	301 1/2	178	207.9	0.5	38.1
Macdon Martin A	†	603	—	728	520	89.3	1.8	16.0
Mansfield	†	551	—	552	420	88.7	2.9	13.3
Marston Thomp	†	204	—	236	175	179.4	2.9	16.6
Matthew Clark	†	417	-2	443	357	37.2	4.5	15.5
♣Merrydown	h	383	—	434	348 1/2	27.9	2.2	18.9
■Morland		470	+97	470	231	99.1	2.0	21.3
■♣Paramount		6 1/2	—	14	6 1/2	2.98	–	7.0
■Scott & New	†	442	+8	462	336	1,834	4.5	12.7
Seagram $		£68 1/4	+3 1/2	£69 1/4	£43	8,509	1.6	–
■Vaux		189	-1	254	174	259.2	6.5	12.8
■Whitbread 'A'	†	415	-3	516	399	1,863	5.2	10.8
♣Wiltshire		16	—	57	16	1.71	–	–
■Wolv & Dudley		604	-7	614	389	394.8	2.3	17.0
Young A	†	498	—	503	389	14.5	3.5	17.5
N/V	†	438	—	443	289	24.9	4.0	15.4

BUILDING MATERIALS

	Notes	Price	+ or -	1991/92 high	low	Mkt Cap£m	Yld Gr's	P/E
♣Albrighton		19 1/2	—	41	9	1.23	–	–
■Antares		9	—	30	3 1/2	15.3	–	–
♣BMSS	†	116	—	121	95	9.30	5.4	12.3
■BPB	†g	158	+4	*245 1/2	120	785.2	9.5	17.3
Baggeridge		92	+1	108	69	36.2	4.5	22.3
Baldwin		67	—	94	59	10.8	5.6	7.9
Blockleys		75	—	122	75	19.1	8.5	8.2
■Blue Circle		245	—	286	198	1,378	8.1	13.8
7 5/8 pc Cv Pf		133	+1	148	108	156.5	7.6	–
Breedon		88	—	111	69	25.8	7.0	9.0
Brit Dredging		128	—	146	93	22.5	7.7	13.5
Brit Fittings	†g	104	-2	*208	113	27.3	6.0	7.8
■CRH I£		224	—	269	187	649.4	1.8	♦
Cakebread Rob A	‡	25	—	60	25	1.60	‡	7.7
Cape		228	—	247	183	121.0	6.1	11.8
8.4pc Cv Pf		308	—	335	375	0.47	2.2	–
♣Chelton		96xd	—	108	65	8.24	6.9	11.7
♣Derby	†	98	—	118	73	14.3	4.9	18.6
♣Epwin		101	—	102	105	28.5	4.7	11.8
Erith		51	—	77	49	24.1	10.2	14.9
European Colour		8	—	18	8	1.47	10.8	27.5
■Evered Bardon		69	—	117	59 1/2	249.1	11.4	♦
■♣Explaura L/V		17	—	28 1/2	13 1/2	24.7	–	–
♣Freeman		97	—	233	68	6.32	11.7	5.0
Gibbs & Dandy A		27	—	35	25	1.70	–	–
Grafton I£		121	—	189	107	18.8	8.4	7.7
Heiton I£		28	-4	58	25	7.44	9.7	8.1
■Hepworth		378	-4	401	245	737.8	5.2	14.0
Hewetson	†g	55	-1	*86	45	4.74	10.9	7.9
■Heywood Wil		352xd	+4	361	329	243.4	4.7	21.8
Cv Pf		145	+1	159	100	28.8	6.4	–
■Ibstock Johnsen	†g	71	—	*124	60	177.4	11.3	25.6
■ Warrants		4	—	23	3 1/2	0.79	–	–
Johnston		205	—	278	205	21.5	8.5	10.2
■Kalon		101 1/2 xd	+3	101 1/2	34	120.6	2.9	♦
♣Kingspan I£		88	+7	108	60 1/4	17.7	4.1	6.4
Lafarge FFr		£38 1/8	+1/4	£41 7/8	£30	1,994	3.9	9.2
Latham (J)	‡	143	—	204	143	7.21	‡	–
Lilleshall		92xd	—	118	91	14.8	5.8	16.0
9p Cv Pf		95	—	118	82	7.28	12.6	–
Manders		198	—	283	133	86.1	4.9	♦
■Marley		123	+1	137	87	345.2	7.1	♦
■Marshalls		89	—	169	74	78.3	7.8	27.0
6 1/2 p Cv Pf		74	-1	90	70	46.7	11.7	–
■Meyer		385	+2	494	352	351.3	6.2	17.7
♣Needler		80	—	80	68	15.0	4.3	♦
■Newman-Tonks		141	-1	177	112	169.1	8.8	17.7
■Phoenix	‡	32	—	55	16	4.62	‡	–
■Pilkington		120	+2	210	111	938.4	11.7	–
♣Plasiseal		38	—	68	35	2.83	11.1	5.4
■Polypipe	†h	117	—	128	67 1/2	180.9	2.1	18.5

BUILDING MATERIALS - Cont.

BUSINESS SERVICES

CHEMICALS

CONGLOMERATES

CONTRACTING & CONSTRUCTION

CONTRACTING & CONSTRUCTION - Cont.

ELECTRICALS

ELECTRICITY

ELECTRONICS

ENGINEERING - AEROSPACE

ENGINEERING - GENERAL

ENGINEERING - GENERAL - Cont.

FOOD MANUFACTURING

FOOD RETAILING

HEALTH & HOUSEHOLD

HEALTH & HOUSEHOLD - Cont.

HOTELS & LEISURE

INSURANCE BROKERS

INSURANCE COMPOSITE

INSURANCE LIFE

INVESTMENT TRUSTS

Authorised by the Inland Revenue

INVESTMENT TRUSTS - Cont.

LONDON SHARE SERVICE

INVESTMENT TRUSTS - Cont.

[illegible]

INVESTMENT COMPANIES

[illegible]

MEDIA

[illegible]

MERCHANT BANKS

[illegible]

MERCHANT BANKS - Cont.

[illegible]

METALS & METAL FORMING

[illegible]

MISCELLANEOUS

[illegible]

MOTORS

[illegible]

OIL & GAS

[illegible]

OIL & GAS - Cont.

[illegible]

OTHER FINANCIAL

[illegible]

OTHER INDUSTRIAL MATERIALS

[illegible]

PACKAGING, PAPER & PRINTING

[illegible]

PACKAGING, PAPER & PRINTING - Cont.

[illegible]

PROPERTY

[illegible]

STORES

[illegible]

STORES - Cont.

[illegible]

TELEPHONE NETWORKS

[illegible]

TEXTILES

[illegible]

TRANSPORT

[illegible]

WATER

[illegible]

SOUTH AFRICANS

[illegible]

PLANTATIONS

[illegible]

MINES

[illegible]

MINES - Cont.

[illegible]

‡‡Kells Mins IE	36	—	48	32	0.85	—	
♦Kenmare	4½	−¼	28	3½	4.32	—	
‡‡Navan Res IE	24	—	28	15	3.22	—	
Northgate Expl C$	39	+1½	99	37½	4.92	—	
North West Expl A$	3	—	18	2	1.01	—	
Oryx Gold $	77½	—	188	77½	—	—	
‡‡Ovoca Gold IE	10	—	23	8	8.78	—	
Plateau	9	—	44	9	4.18	—	
RTZ	580	+5	685	404	5,685	4.8	
Vizcaya	2	—	18	2	1.07	—	
Western & Pac C$	14½	—	152	7	7.85	—	
Young Grp	47	—	133	25	7.07	14.8	

GUIDE TO LONDON SHARE SERVICE

Company classifications are based on those used for the FT-Actuaries Indices and FT-Actuaries World Indices.

Closing mid-prices are shown in pence unless otherwise stated. Highs and lows are based on intra-day mid- prices.

Where stocks are denominated in currencies other than sterling, this is indicated after the name.

Symbols referring to dividend status appear in the notes column daily as a guide to yields and P/E ratios. Dividends and Dividend covers are published on Monday

Market capitalisation shown is calculated separately for each line of stock quoted.

Estimated price/earnings ratios are based on latest annual reports and accounts and, where possible, are updated on half-yearly figures. P/Es are calculated on "net" distribution basis, earnings per share being computed on profit after taxation, excluding exceptional profits/losses and unrelieved ACT where applicable. Yields are based on mid-prices, are gross, adjusted to ACT of 25 per cent and allow for value of declared distribution and rights.

Estimated Net Asset Values (NAVs) are shown for Investment Trusts, in pence per share, along with the percentage discounts (Dis) or premiums (Pm -) to the current pre-closing share price. The NAV basis assumes prior charges at par value, convertibles converted and warrants exercised if dilution occurs.

- ■ Indicates the most actively traded stocks. This includes UK stocks where transactions and prices are published continuously through the Stock Exchange Automated Quotation system (SEAQ), and non-UK stocks which are quoted on SEAQ International
- ● "Tap Stock"
- * Highs and lows marked thus have been adjusted to allow for rights issues for cash
- † Interim since increased or resumed
- ‡ Interim since reduced, passed or deferred
- ‡‡ Tax-free to non-residents on application
- ♦ Figures or report awaited
- ¥ Not officially UK listed; dealings permitted under rule 535(4)(a)
- ♦ USM; not listed on Stock Exchange and company not subjected to same degree of regulation as listed securities.
- †† Not officially UK listed; dealings permitted under Rule 535(2)
- ¥ Price at time of suspension
- ¶ Indicated dividend yield after pending scrip and/or rights issue.
- ♦ Merger bid or reorganisation in progress
- § Forecast dividend yield; p/e based on earnings updated by latest interim statement.
- ♣ Unregulated collective investment scheme.

a Yield based on annualised dividend
b Figures based on prospectus or other official estimates.
c Cents.
f Flat yield.
g Assumed dividend yield after rights issue.
h Assumed dividend yield after scrip issue.
q Rights issue pending
q Earnings based on preliminary figures.
s Dividend yield excludes a special payment.
t Indicated dividend yield, p/e ratio based on latest annual earnings.
u Forecast, or estimated annualised dividend yield, p/e based on previous year's earnings.
v Subject to local tax.
z Dividend yield includes a special payment
E Minimum tender price.
F Yield based on prospectus or other official estimates for 1990-91.
G Assumed yield after pending scrip and/or rights issue.
H Yield based on prospectus or other official estimates for 1991.
K Yield based on prospectus or other official estimates for 1992-93
L Estimated annualised yield, p/e based on latest annual earnings.
M Yield based on prospectus or other official estimates for 1991-92.
N Yield based on prospectus or other official estimates for 1992.
P Figures based on prospectus or other official estimates for 1991.
R Forecast annualised yield, p/e based on prospectus or other official estimates.
T Figures assumed.
W Pro forma figures.
Z Dividend yield to date.

Abbreviations:
xd ex dividend;
xc ex scrip issue;
xr ex rights;
xa ex all;
xk ex capital distribution.

This service is available to companies whose shares are regularly traded in the United Kingdom for a fee of £1200 a year for each security shown, subject to the Editor's discretion.

FT MANAGED FUNDS SERVICE

● Current Unit Trust prices are available on FT Cityline. Calls charged at 36p/minute cheap rate and 48p/minute at all other times. To obtain a free Unit Trust Code Booklet ring (071) 925-2128.

AUTHORISED UNIT TRUSTS

AIB Unit Trust Managers Limited (1000)F
51 Belmont Rd, Uxbridge Middx UB8 1RZ 0895 259783

	Init Chrge	Canc. Price	Bid Price	Offer Price	+ or -	Yield Gr's
AIB Grofund American	5	119 6	120 9	127.3	+0.20	0.00
AIB Grofund Equity	5	166 8	168 8	178 7	-0 40	1.85
AIB Grofund Euro	5	135 9	137 7	145 0	+0.10	1 09
AIB Grofund Gilt	3	69 42	69 42	71.57	+0 08	6 99
AIB Grofund Japan	5	113 7	114 9	121 0	+3 40	0.00

Abbey Unit Tst Mngrs (1000)H
80 Holdenhurst Rd Bournemouth 0345 717373

	Init Chrge	Canc. Price	Bid Price	Offer Price	+ or -	Yield Gr's
High Income						
Gilts & Fixed Int	6	115 9	115 9xd	122.7	-0 2	8 42
High Inc Equity	6	123 0	123 8	131 6	-0 9	6 46
Worldwide Bond	6	220 2	220 2xd	233 5	+0.6	6 09
Capital Growth						
American Growth	6	216 4	216 4	232 4	+1 8	.96
Asian Pacific	6	143 0	144 1	153 2	+0 5	1 40
Assets & Earnings	6	179 5	179 5	191 9	-0 7	3.18
Capital Reserve Acc	0	113.3	113 3	113 3		7 92
Capital Reserve Inc	0	83 77	83 77xd	83 83		7 92
Commodity & Energy	6	66.36	66.36xd	70 97	+0 13	1 49
1992 Enterprise	6	66 70	66 70	71 33	-0 26	3.06
Euro Capital Acc	6	91 11	91 11	97 44	-0 07	1 07
Euro Capital Inc	6	87 05	87 05	93 10	-0 06	1 07
General	6	163 7	163 7xd	175 0	-0 9	3 31
Japan	6	79 54	79 54	85 06	+2 93	–
Mastertrust	6	88 07	88 07	94 19	+0 32	2 49
UK Growth Acc	6	163 3	171 1	182 0	-1 1	2 52
UK Growth Dist	6	103 8	108 7	115 6	-0 7	2.57

Marks & Spencer Unit Trust Ltd (1200)F
PO Box 410, Chester X, CH99 9OC 0244 680066

	Init Chrge	Canc. Price	Bid Price	Offer Price	+ or -	Yield Gr's
M & S Inv P'folio	5¼	109.5	109 8	117.4	-0.2	3.10
Do Accum	5¼	118.9	119.2	127.4	-0.3	3.10
UK Sel P'folio	5¼	90.55	91.35	97 69	-0 4	4.41
Do Accum	5¼	98 0	98.83	105.7	-0.5	4 41

National Provident Inv Mgrs Ltd (1400)H
48 Gracechurch St, EC3P 3BH 071-623 4200

	Init Chrge	Canc. Price	Bid Price	Offer Price	+ or -	Yield Gr's
NPI America Acc ♥	5	84.27	84 63	90.03	+0.55	0.49
NPI America Dist ♥	5	78.11	78.43	83.44	+0.49	0.49
NPI European Acc	5	73.08	73.71	78.42	-0.08	0.24
NPI European Dist	5	70.92	71.53	76.10	-0 08	0.24
NPI Far East Acc ♥	5	103.7	104 4	111.1	+1.80	0 64
NPI Far East Dist ♥	5	102.2	102.9xd	109.5	+1.80	0.64
NPI Global Dist	5¼	52.51	52.58xd	56.24	-0.11	2.64
NPI O'seas Acc	5	915.3	919.1	977.8	+6.10	0 95
NPI O'seas Dist	5	707.9	710.9xd	756.3	+3.98	0.95

Guide to pricing of Authorised Unit Trusts

Compiled with the assistance of Lautro §§

INITIAL CHARGE: Charge made on sale of units. Used to defray marketing and administrative costs, including commission paid to intermediaries. This charge is included in the price of units.

OFFER PRICE: Also called issue price. The price at which units are bought by investors.

BID PRICE: Also called redemption price. The price at which units are sold back by investors.

CANCELLATION PRICE: The minimum redemption price. The maximum spread between the offer and bid prices is determined by a formula laid down by the government. In practice, most unit trust managers quote a much narrower spread. As a result, the bid price is often set above the cancellation price. However, the bid price might be moved to the cancellation price by the managers at any time, usually in circumstances in which there is a large excess of sellers of units over buyers.

TIME: The time shown alongside the fund manager's name is the time of the unit trust's valuation point unless another time is indicated by the symbol alongside the individual unit trust name. The symbols are as follows: (♥) - 0001 to 1100 hours; (♣) - 1101 to 1400 hours; (♦) - 1401 to 1700 hours; (♠) - 1701 to midnight. Daily dealing prices are set on the basis of the valuation point; a short period of time may elapse before prices become available.

HISTORIC PRICING: The letter H denotes that the managers will normally deal on the price set on the most recent valuation. The prices shown are the latest available before publication and may not be the current dealing levels because of an intervening portfolio revaluation or a switch to a forward pricing basis. The managers must deal at a forward price on request, and may move to forward pricing at any time.

FORWARD PRICING: The letter F denotes that the managers deal at the price to be set on the next valuation. Investors can be given no definite price in advance of the purchase or sale being carried out. The prices appearing in the newspaper are the most recent provided by the managers.

SCHEME PARTICULARS AND REPORTS: The most recent report and scheme particulars can be obtained free of charge from fund managers.

Other explanatory notes are contained in the last column of the FT Managed Funds Service.

§§ Life Assurance and Unit Trust Regulatory Organisation, Centre Point, 103 New Oxford Street, London WC1A 1QH Tel: 071-379-0444.

مكتبة منير الوصل

FT MANAGED FUNDS SERVICE

● Current Unit Trust prices are available on FT Cityline. Calls charged at 36p/minute cheap rate and 48p/minute at all other times. To obtain a free Unit Trust Code Booklet ring (071) 925-2128.

	Init Chrge	Canc Price	Bid Price	Offer Price	+ or -	Yield Gr's
Stewart Ivory Unit Tst Mgrs Ltd (1200)H						
45 Charlotte Sq, Edinburgh 031-226 3271						
American ♥	5	298.0	298.0	317.8	+0.1	0.70
(Accum Units) ♥	5	350.7	350.7	374.1	+0.2	0.70
British	5	774.1	791.4d	837.3	-6.5	6.21
(Accum Units)	5	1298.2	1327.2	1404.2	-10.9	6.21
European	5	341.5	341.5	362.6	+0.7	1.38
(Accum Units)	5	370.2	370.2	393.1	+0.8	1.38
Japan	5	99.72	99.72	106.2	+1.8	-
(Accum Units)	5	100.5	100.5	107.0	+1.8	-
New Pacific	5	197.5	197.5	210.3	+1.1	1.63
(Accum Units)	5	202.8	202.8	216.0	+1.2	1.63
PEP Mar 18	5	146.5	148.3	156.9	.....	3.58
Mngd Equity	5	123.7	125.3	132.6	-1.1	2.84
Mngd Equity Acc	5	131.2	132.9	140.7	-1.2	2.84
Mngd Cash	0	96.94	96.94	96.94	.....	10.5
(Accum Units)	0	119.5	119.5	119.5	.....	10.25
Majority Stdg	1	100.91	100.91	101.92	+0.02	9.98
Majority Stdg Acc	1	209.89	209.89	210.99	+0.02	9.98
Storebrand Intl Inv Mngrs Ltd (1200)F						
Admin: 5 Rayleigh Rd, Hutton, Brentwood, Essex						
Enquiries: 0277 227300 Dealing: 0277 261010						
International Mar 13	0	51.10	51.10	51.56	.....	5.16
Sun Alliance Unit Tst Mngmt Ltd (1200)F						
St Mark's Court, Horsham 0403 232323						
Equity	6	584.9	592.6	633.8	-9.9	3.23
North America	6	88.17	88.17	94.30	+0.81	0.31
Far East	6	87.41	87.41	93.50	+1.20	0.83
W'wide Bond	6	49.06	49.06	52.19	+0.31	6.25
European	6	68.95	68.95	73.74	-0.89	1.60
Equity Income	6	64.07	64.07	68.52	-0.48	6.07
Portfolio	6	58.13	58.13	62.17	+0.17	2.52
Broker Trusts						
Worldwide Growth	6	47.00	47.00	50.00	.....	2.23
Sun Life of Canada Unit Mgrs Ltd (1000)H						
Basingview, Basingstoke, Hants 0800 525725						
American Growth	6	27.71	27.71	29.64	+0.07	0.66
Managed Assets	6	99.15	99.77	106.71	-0.06	3.82
UK Income	6	29.87	30.28	32.35	-0.73	4.87
UK Growth	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

	Bid Price	Offer Price	+ or -	Yield Gr's
M & G Securities Ltd				
Charibond Mar 18	102.29		-0.3	[illegible]
(Accum Units)	619.27		-1.6	[illegible]
NAACIF Mar 17	40.00		.....	[illegible]
Morgan Grenfell Investment Funds Ltd				
Exempt Funds				
UK Equity † Mar 17	125.6	135.6	.....	[illegible]
UK Small Co † Mar 17	516.8	567.1	.....	[illegible]
Fixed Interest † Mar 17	110.7	116.3	.....	[illegible]
US Small Co Mar 17	181.8	194.5	.....	[illegible]
Managed Mar 17	106.9	114.7	-2.2	[illegible]
Intl Bond Mar 17	121.4	128.0	.....	[illegible]
Japan Mar 17	61.23	65.27	-3.7	[illegible]
European Mar 17	91.81	98.16	-1.2	[illegible]
Nth American Mar 17	122.4	131.7	.....	[illegible]
Murray Johnstone UT Mngmt				
Murray Exempt Funds				
Amer Expt Mar 18	56.82	59.10	.....	[illegible]
Euro Expt Mar 18	54.20	56.91	.....	[illegible]
Fixed Int Ex Mar 18	46.99	48.16	.....	[illegible]
Japan Expt Mar 18	37.68	39.19	.....	[illegible]
Managed Ex Mar 12	45.72	47.36	.....	[illegible]
SE Asia Expt Mar 18	77.89	81.79d	.....	[illegible]
Sm Cos Expt Mar 18	35.73	37.52	.....	[illegible]
UK Eqty Ex Mar 18	42.38	44.50d	.....	[illegible]
Phillips & Drew Fund Management Ltd				
Small Co's Mar 4	685.08	728.90	.....	[illegible]
Do Accum	794.71	845.53	.....	[illegible]
Int Expt Mar 12	188.15	192.09	.....	[illegible]
UK Index Mar 4	1188.34	1203.16	.....	[illegible]
Do Accum	1374.24	1391.65	.....	[illegible]
Convertible Mar 16	98.18	99.23	.....	[illegible]
World ex UK Index Mar 17	771.50	780.51	-10.58	[illegible]
Do Accum	771.50	780.51	-10.58	[illegible]
Japan Index Mar 17	482.36	488.71	-25.70	[illegible]
Do Accum	483.26	490.64	-25.80	[illegible]
USA Index Mar 17	1075.78	1083.00	+8.76	[illegible]
Do Accum	[illegible]	[illegible]	+9.13	[illegible]

[illegible]

INSURANCES

[illegible]

OTHER UK UNIT TRUSTS

[illegible]

	Bid Price	Offer Price	+ or -	Yield Gross
Henderson Administration(z)				
3 Finsbury Ave, London EC2 M2PA 071-638 5757				
UK Equity	295.0	311.4	-2.4	-
Fixed Interest	66.80	70.6	-	-
N. America	287.9	303.9	+1.0	-
Far East	359.0	378.9	-2.4	-
Global Managed	324.3	342.1	+2.2	-
Deposit	203.1	213.8	-	-
Prime Res	134.3	141.4	..	-
European	191.4	202.1	+1.3	-
Pension Funds				
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Lifetime Assurance Co Ltd				
Bank Hse St John's Rd, Harrow HA1 2EE 081-861 5999				
Managed Security	111.6	117.5	....	-
Managed Growth	122.0	128.5	.	-
Managed Opportunity	110.8	116.7		-
Property	113.5	119.5		-
Fixed Interest	119.5	125.8	..	-
Cash	113.9	119.9	..	-
UK Equity	110.0	115.8		-
Intl Equity	122.2	128.7	..	-
Pension Funds				
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
NEL Britannia Assce Co Ltd				
Milton Court, Dorking, Surrey 0306 880077				
Capital Growth	127.5	134.2	-0.9	-
Managed Income	106.3	111.9	+0.2	-
Cap Grth Ser B	110.6	116.4	-0.8	-
Mngd Income Ser B	109.0	114.7	+0.2	-
Broker Managed				
PAM Global Growth Fd	118.5	118.5	+0.1	-
PAM Growth Fund	104.3	109.8	..	-
Multichoice Investment Funds				
Managed Bldg Soc	126.3	132.9		-
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

[illegible]

Continued on next page

FT MANAGED FUNDS SERVICE

● Current Unit Trust prices are available on FT Cityline. Calls charged at 36p/minute cheap rate and 48p/minute at all other times. To obtain a free Unit Trust Code Booklet ring (071) 925-2128.

Norwich Union Life Insurance Soc.-Contd.

	Bid Price	Offer Price	+ or -	Yield Gross
Pensionmaster & Unit-Linked Plus*				
Mixed Fund	437 9	460 9	-8 2	-
Ordinary Share Fund	656 0	690 5	-15 2	-
International Fund	171 5	180 5	-3 0	-
Property Fund	259 3	272 9	+0 4	-
Fixed Interest Fund	390 1	410 6	-2 7	-
Index-Linked Sec Fund	189 1	199 1	-2 2	-
Deposit Fund	278 0	292 6	+0 6	-
Norwich Units Feb 14	1048.63			
Jersey Investment Plan				
With Profits Fund	122 70	129 16	+0 04	-
Intl Equity Fund	94 10	99 05	+0 81	-
Intl Bond Fund	121 11	127 48	-0 62	-

Prices as at March 17

Norwich Union Pensions Management Ltd

Surrey Street, Norwich, NR1 3NG 0603 683335

Provident Mutual Life Assc. Assn.-Contd.

	Bid Price	Offer Price	+ or -	Yield Gross
Fixed Interest Ord	217 4	228 8	-0 3	-
Fixed Interest Init	160 1	168 5	-0 1	-
Deposit Ord	183 4	193 1		-
Deposit Init	135 1	142 2	+0 1	-
Pension Funds				
Managed Ord	452 8	476 6	-0 2	-
Managed Init	333 4	350 9	+0 1	-
Equity Ord	678 4	714 1	-2 2	-
Equity Init	499 6	525 9	-1 6	-
Per Ind Lkd Gilt Ord	178 8	188 2	-0 2	-
Pen Ind Lkd Gilt Init	137 5	144 7	-0 2	-
Overseas Equity Ord	320 1	336 9	+3	-
Overseas Equity Init	235 7	248 1	+2 2	-
Property Ord	279 0	293 7	+0 1	-
Property Init	205 4	216 2		-
Fixed Interest Ord	274 9	289 4	-0 2	-
Fixed Interest Init	202 4	213 1	-0 2	-
Deposit Ord	261 5	275 3	+0 1	-

Scottish Amicable

150 St Vincent St, Glasgow 041-248 2323

	Bid Price	Offer Price	+ or -	Yield Gross
Life Funds (First Series)				
Managed	338 7	356 6	+0 1	-
Equity	428 3	450 9	-0 8	-
Property	236 6	249 1		-
International	310 7	327 0	+2 2	-
Japanese	81 4	85 7	+1 8	-
Asia Pacific	104 3	109 8		-
European	98 8	104 0	-0 2	-
American	108 7	114 4	+0 8	-
Fixed Interest	282 8	297 7	+0 4	-
Index-Linked Gilt	150 3	158 3	-0 4	-
Cash	205 3	216 2	+0 1	-
Life Funds (Second Series)				
Managed	93 6	98 6		-
Equity	91 5	96 3	-0 1	-
Property	98 8	104 0		-
International	95 5	100 5		-

Sun Alliance Group

St Mark's Court Horsham 0403 232323

	Bid Price	Offer Price	+ or -	Yield Gross
Life Funds				
Managed	471 7	496 6	-1 4	-
Deposit	261 2	275 0		-
Equity	648 3	676 3	-4 7	-
Equity Income	147 6	155 6	-1 0	-
European	115 2	121 3	-0 2	-
Far East	138 2	145 5	+2 0	-
Fixed Interest	325 1	342 3	-0 6	-
Index Linked	237 1	249 6	-0 7	-
International	434 9	457 8	+2 2	-
North America	166 9	175 7	+1 4	-
Property	392 2	413 0	+0 5	-
Worldwide Bond	121 2	127 6	+0 7	-
Worldwide Financial	74 60	78 60		-
Worldwide Technology	88 30	93 00		-
International Bond	556 86			
Pension Funds				

Wesleyan Assurance Society

Colmore Circus, Birmingham, B4 6AR 021-200 3003

	Bid Price	Offer Price	+ or -	Yield Gross
Managed Fd	232 2	243 4		-
Pens Managed Fd	157 4	165 4		-

Windsor Life Assur Co Ltd

Windsor House, Telford, Shropshire 0952 292929

	Bid Price	Offer Price	+ or -	Yield Gross
American	200 8	306 1		-
Balanced Account (3)	128 2	135 0		-
Deposit	243 1	255 9		-
Far East	258 6	272 2		-
Fully Man Acc Pen (2)	556 7	586 0		-
Fully Man Acc Pen (3)	558 3	587 7		-
Gilt	320 6	337 4		-
Grad Rent & Gilt 7 Pen	144 0	151 6		-
Grad Rent & Gilt 8 Life	130 3	137 2		-
Grad Rent & Gilt 8 Pen	118 0	124 6		-
Grad Rent & Gilt 10 Life	111 3	117 2		-
Grad Rent & Gilt 10 Pen	118 4	124 6		-
High Inc. Equity	236 4	248 8		-

Providence Capitol International Ltd - Contd.

	Bid Price	Offer Price	+ or -	Yield Gross
Swiss Franc Mngd	SFr5.544	5.782	-0.046	-
Swiss Franc Money Mkt	SFr1.173	1.262	+0.002	-
DM Denominated Managed	DM1.833	1.950	-0.040	-
£ DFS Global Port	£0.829	0.892	-0.009	-
£ YRA Worldwide	£0.969	1.042	+0.007	-
$ YRA Dir Worldwide	$1.016	1.092	-0.009	-
Young & Co Black P'folio	£0.992	1.067	-0.001	-

Royal Life Intl. Ltd

Royal Court, Arbory Rd, Douglas IoM 0624 821212

	Bid Price	Offer Price	+ or -	Yield Gross
Pension Growth A	£0.903	0.972		-
Pens Growth (Bonus)	£1.703			-
Royal Life UK Mngd Fd	£1.362	1.465		-
Royal Life Gilt Fd	£1.521	1.636		-
Royal Life UK Eqy Fd	£1.290	1.388		-
Royal Life Amer Fd	£0.995	1.070		-
Royal Life Euro Fd	£0.983	1.058		-
Royal Life Far East Fd	£0.898	0.966		-

J. D. Ward Financial Services Ltd

9 Kingsway, London, WC2 6XF 071-836 4321

	Bid Price	Offer Price	+ or -	Yield Gross
J D Ward Mngd Bond	198 2	214 4	-0 6	-
J D Ward Mngd Pens	125 5	134 4	-0 4	-
Albany Life Acc	192 9	203 0	+0 4	-
Albany Pens Acc	247 2	260 2	+1 3	-
M&G Tripos Pen Acc	180 2	189 3	+0 8	-
FCPC/ESW Growth Pen Acc	182 4	191 9		-

OFFSHORE AND OVERSEAS

BERMUDA (SIB RECOGNISED)

GUERNSEY (REGULATED)

CANADA (SIB RECOGNISED)

GUERNSEY (SIB RECOGNISED)

Rothschild Asset Management-Contd.

Royal Bank of Canada Funds

RBC Offshore Fund Managers Ltd

PO Box 246, St Peter Port, Guernsey 0481 723021

OFFSHORE INSURANCES

MANAGEMENT SERVICES

IRELAND (SIB RECOGNISED)

IRELAND (REGULATED)

ISLE OF MAN (SIB RECOGNISED)

FT MANAGED FUNDS SERVICE

● Current Unit Trust prices are available on FT Cityline. Calls charged at 36p/minute cheap rate and 48p/minute at all other times. To obtain a free Unit Trust Code Booklet ring (071) 925-2128.

		Bid Price	Offer Price	+ or -	Yield Gross
CMI Fund Managers (IoM)					
Clerical Medical Hse, Douglas, IoM 0624 625599					
High Income	5	0.4884	0.5142	[illegible]	10.32
CMI Core Portfolio Fund					
UK	5	£- 0.9840	1.0547	[illegible]	-
USA	5	£- 1.0884	1.1544	[illegible]	-
Japan	5	£- 0.5415	0.5716	[illegible]	-
Equity & Law Intl Fund Mngrs Ltd					
Victory Hse, Prospect Hill, Douglas IoM 0624 677877					
Total Income Fd	5	95.13	95.37	[illegible]	10.2
Gartmore Fund Managers (IoM)					
PO Box 32, Douglas, IoM 0624 627610					
Intl Grth	5¼	492.0	527.1	+2.8	0.9
Leopold Joseph Fund Mngrs (IoM) Ltd					
PO Box 52 Athol St Douglas IoM 0624 661020					
L.J. International	5¼	94.43	101.70	-0.03	-
Mercury Fund Managers IoM Ltd					
11 Hill Street, Douglas IoM 0624 662255					
Merc IoM Fund	5	102.9	109.8	-0.4	7.6
Merc Intl Bond	5	54.03	56.77	+0.1	8.7
Sun Life Management (IoM) Ltd					
PO Box 178, Douglas, IoM 0624 623444					
Secure High Income	6	1.0185	1.0932	[illegible]	8.23
Unibank Scandinavian Fund Ltd					
23 Bucks Road, Douglas, IoM 06246 26484					
Scandinavia Fd	5	141.65	151.05	.....	1.0

ISLE OF MAN (REGULATED)(**)

	Bid Price	Offer Price	+ or -	Yield Gross
CMI Fund Mngrs (IOM)				
Traders Fund Ltd	$17.31	18.71	.....	-
*Dealings Wednesday				
City Financial Admin (IoM) Ltd				
Beckman Option & Warrant	60.0	72.0	-0.03	0.00
Beckman Option & Warrant $	$1.03	1.24	-0.10	0.00
Beckman Reserve Assets	104	104	+1.00	2.67
Duncan Lawrie Inv. Mgt. Ltd				
DL Sterling	136.3	143.2	.....	4.5
DL International	$1.53	1.63	.....	1.9
Equity & Law International Fund Mgrs Ltd				

	Init Charge	Canc. Price	Bid Price	Offer Price	+ or -	Yield Gr's
EBC Trust Company (Jersey) Ltd						
EBC Amro Traded Currency Fund Ltd*						
Income			$15.30	15.851	.....	4.06
Capital			$23.63	24.349	.....	5.50
*Offer price includes 3% prelim. charge						
International Income Fund						
Eurobd Long Term*			$32.51	33.9894	.....	4.97
* Offer Price includes 3½% Initial Charge						
EquiLink International Mngt Ltd						
First Aust Prime Inc Inv Co Ltd NAV Mar 12 C$12.68						
First Aust Prime Inc Inv Co Ltd NAV Mar 12 US$10.58						
NAV Diluted to reflect exercise of all Wrts C$12.36 US$10.31						
Fidelity Investment (CI) Ltd						
Sterling American			£2.522	2.654	+0.001	-
Fleming Group						
Robert Fleming Management (Jersey) Ltd						
Deutschland Inv Co NAV			DM16.53		(z)	-
Foreign & Colonial Mngt (Jersey) Ltd						
Foreign & Colonial Reserve Asset Fd Ltd						
US$ Cash			$10.62		.....	-
Multicurrency Cash			$16.57		.....	-
Sterling Cash			£11.65		.....	-
US$ Bonds			$14.43		+0.01	-
Multicurrency Bonds			$19.19		+0.05	-
Sterling Bonds			£12.75		-0.02	-
D Mark Bonds			DM20.40		-0.01	-
Ecu Bonds			Ecu11.65		-0.01	-
UK Equities			£10.03		-0.08	-
US Equities			$16.28		+0.07	-
Japanese Equities			Y[illegible]		-0.01	-
Global Equities			$10.78		+0.07	-
John Govett Management (Jersey) Ltd						
[illegible]			$10.66		.....	-
[illegible]			$8.51		.....	-
Paragon Fd NAV Feb 28			$10.38		.....	-
Paragon Redemption			$9.99		.....	-
Hungarian Inv Co Feb 28			103.85		.....	-
For Holborn Fund Mngrs see Prudential Fund Mngrs						
INVESCO MIM International Limited						
All Funds deal daily except where indicated.						
Sterling Denominated Income Funds						

Fidelity Investment (CI) Ltd

Asian Convertibles & Income Fd (Cayman)

Austro-Hungary Fund Ltd

BEA Associates

Global Asset Management—Contd.

Orbis Investment Management Ltd

Orbitex Bahamas Ltd

ORIENT Growth Fd

JERSEY (SIB RECOGNISED)

JERSEY (REGULATED)(**)

LUXEMBOURG (SIB RECOGNISED)

LUXEMBOURG (REGULATED)(**)

SWITZERLAND (SIB RECOGNISED)

OTHER OFFSHORE FUNDS

MANAGED FUNDS NOTES

CURRENCIES, MONEY AND CAPITAL MARKETS

FOREIGN EXCHANGES

Short-term buyers boost dollar

THE dollar touched DM1.67 in late trading yesterday, mainly due to speculative buying by two major players, *writes Neil Buckley*.

Traders said a south-east Asian central bank and a large Middle East operator were buying dollars, sending the price up rapidly in otherwise thin market conditions.

The dollar was generally slightly stronger, however, with some investors turning to the currency as a safe haven following a newspaper report that the US might be preparing to attack Iraq once more. The report said US military planners had given President George Bush a set of options for bombing Iraq, with the possibility of starting before the end of next week, if it does not comply with UN resolutions to destroy its weapons of mass destruction.

"The market has been very thin, so a little rumour goes a long way," said Mr Steven Barrow, an economist at Chemical Bank.

He said better US jobless claims figures (433,000 against 460,000 last week), Wednesday's Tan book from the Fed which saw a cautious economic recovery in the US, and a slightly lower January trade deficit of $5.77bn, were further good indicators for the dollar, but had had little impact on the market.

The news that the Democrat Mr Paul Tsongas was to drop out of the US presidential race, leaving Mr Bill Clinton of Arkansas the most likely challenger to President Bush, also had little effect.

"It's been a jobbing day," said one analyst. "The market is very choppy. Speculators took the dollar down as far as it would go yesterday, and took it up to the top today."

The dollar closed at DM1.6697/05 after a DM1.6595/05 start and a DM1.6560/65 Asian close. Against the yen, it was at Y133.33/38, from Y132.70/80 and Y132.55/60.

In Tokyo, the dollar had remained slightly firmer against the yen and D-mark, with traders saying this was mainly due to D-mark/yen interest, with some dollar position adjustments before the three-day weekend in Tokyo. The market was closed today for a national holiday.

The D-mark lost ground against the French franc and lira after the Bundesbank failed to raise interest rates, despite some rumours that it might do so. The Italian currency has been under pressure ahead of next month's election, but yesterday it improved slightly to L752.38/48 from L752.90 at the opening.

Sterling, however, was unaffected by mixed opinion polls and a big increase in the UK unemployment figures, closing at DM2.8572/76 from a start of DM2.8550/57, and never moving outside this tight range.

It remained close to its effective floor against the peseta, at a 50 per cent swing below its central rate.

Against the dollar, however, it dropped more than 1½ cents to $1.7120, from a previous close of $1.7290.

£ IN NEW YORK

Mar 19	Latest	Previous Close
£ Spot	1.7100-1.7110	1.7275-1.7285
1 month	0.93-0.92pm	0.98-0.96pm
3 months	2.68-2.66pm	2.76-2.73pm
12 months	8.92-8.82pm	8.97-8.87pm

Forward premiums and discounts apply to the US dollar

STERLING INDEX

	Mar.19	Previous
8.30 am	89.8	90.0
9.00 am	89.8	90.0
10.00 am	89.8	90.0
11.00 am	89.8	90.0
Noon	89.8	90.0
1.00 pm	89.8	90.0
2.00 pm	89.8	90.0
3.00 pm	89.8	89.9
4.00 pm	89.8	89.9

CURRENCY RATES

Mar 19	Bank ♣ rate %	Special * Drawing Rights	European † Currency Unit
Sterling	-	0.791142	0.714507
U S Dollar	3.50	1.37010	1.22609
Canadian $	7.56	1.63480	1.46457
Austrian Sch	7.50	15.9123	14.3710
Belgian Franc	8.50	46.6040	42.0458
Danish Krone	9.50	8.78988	7.93344
D-Mark	8.00	2.26094	2.04206
Dutch Guilder	8.50	2.54702	2.30003
French Franc	10¼	7.68215	6.93417
Italian Lira	12	1701.84	1537.46
Japanese Yen	4.50	181.949	163.009
Norway Krone	8	8.88798	8.01926
Spanish Peseta	-	143.063	129.120
Swedish Krona	10.00	8.20553	7.41664
Swiss Franc	7.00	2.04624	1.84834
Greek Drach	19	262.405	236.305
Irish Punt	-	N/A	0.766356

♣ Bank rate refers to central bank discount rates. These are not quoted by the UK, Spain and Ireland † European Commission Calculations. * All SDR rates are for Mar.18

CURRENCY MOVEMENTS

Mar 19	Bank of England Index	Morgan** Guaranty Changes %
Sterling	89.8	-21.4
U S Dollar	65.4	-13.6
Canadian Dollar	100.7	-1.7
Austrian Schilling	110.0	+12.3
Belgian Franc	111.4	-1.9
Danish Krone	108.7	+3.0
D-Mark	118.4	+25.1
Swiss Franc	106.2	+14.6
Dutch Guilder	114.4	+16.3
French Franc	103.4	-12.6
Lira	98.6	-19.8
Yen	139.5	+73.6
Peseta	106.9	-18.6

Morgan Guaranty changes: average 1980-1982=100. Bank of England Index (Base Average 1985=100). **Rates are for Mar.18

OTHER CURRENCIES

Mar 19	£	$
Argentina	1.6955 - 1.6980	0.9905 - 0.9915
Australia	2.2600 - 2.2620	1.3160 - 1.3165
Brazil	3119.60 - 3121.80	1822.20 - 1822.40
Finland	7.7685 - 7.7820	4.5370 - 4.5400
Greece	327.600 - 333.850	190.360 - 193.410
Hong Kong	13.2645 - 13.2775	7.7445 - 7.7465
Iran	2475.00*	1432.50*
Korea(Sth)	1323.40 - 1344.75	767.80 - 777.00
Kuwait	0.50500 - 0.50575	0.29500 - 0.29550
Luxembourg	58.90 - 59.00	34.40 - 34.50
Malaysia	4.4285 - 4.4365	2.5885 - 2.5905
Mexico	5170.25 - 5181.85	3061.50 - 3062.50
N Zealand	3.1220 - 3.1260	1.8230 - 1.8255
Saudi Ar	6.4305 - 6.5075	3.7495 - 3.7505
Singapore	2.8360 - 2.8430	1.6555 - 1.6575
S.Af (Cm)	4.9250 - 4.9365	2.8810 - 2.8825
S.Af (Fn)	6.1600 - 6.2730	3.5970 - 3.6630
Taiwan	43.70 - 43.80	25.45 - 25.55
U A E	6.2965 - 6.3755	3.6715 - 3.6735

*Floating rate. Iran Official rate £115.25 $67.25

EMS EUROPEAN CURRENCY UNIT RATES

	Ecu Central Rates	Currency Amounts Against Ecu Mar 19	% Change from Central Rate	% Spread vs Weakest Currency	Divergence Indicator
Spanish Peseta	133.631	129.120	-3.38	6.11	58
Belgian Franc	42.4032	42.0458	-0.84	3.40	37
Dutch Guilder	2.31643	2.30003	-0.71	3.26	31
D-Mark	2.05586	2.04206	-0.67	3.22	38
Irish Punt	0.767417	0.766356	-0.14	2.67	3
Italian Lira	1538.24	1537.46	-0.05	2.58	-1
French Franc	6.89509	6.93417	0.57	1.95	-36
Danish Krone	7.84195	7.93344	1.17	1.34	-57
Sterling	0.696904	0.714507	2.53	0.00	-50

Ecu central rates set by the European Commission. Currencies are in descending relative strength. Percentage changes are for Ecu, a positive change denotes a weak currency. Divergence shows the ratio between two spreads: the percentage difference between the actual market and Ecu central rates for a currency, and the maximum permitted percentage deviation of the currency's market rate from its Ecu central rate.
Adjustment calculated by Financial Times

POUND SPOT - FORWARD AGAINST THE POUND

Mar 19	Day's spread	Close	One month	% p.a.	Three months	% p.a.
US	1.7085 - 1.7250	1.7110 - 1.7120	0.95-0.93cpm	6.59	2.68-2.65pm	6.23
Canada	2.0465 - 2.0575	2.0465 - 2.0475	0.66-0.58cpm	3.63	1.69-1.56pm	3.18
Netherlands	3.2125 - 3.2225	3.2125 - 3.2225	⅜-¼cpm	1.17	⅞-⅝pm	0.93
Belgium	58.70 - 59.00	58.90 - 59.00	7-4cpm	1.12	16-11pm	0.92
Denmark	11.0755 - 11.1125	11.1025 - 11.1125	1-½orepm	0.81	2⅜-1⅝pm	0.72
Ireland	1.0700 - 1.0736	1.0725 - 1.0735	0.02-0.01cpm	0.17	0.05-0.01pm	0.11
Germany	2.8550 - 2.8600	2.8550 - 2.8600	⅜-¼pfpm	1.05	¾-½pm	0.87
Portugal	244.95 - 246.75	245.75 - 246.75	68-86cdis	-3.75	186-219dis	-3.29
Spain	180.30 - 180.95	180.30 - 180.60	23-31cdis	-1.80	77-85dis	-1.80
Italy	2147.00 - 2152.45	2149.50 - 2150.50	2-3liredis	-1.40	7-9dis	-1.49
Norway	11.2000 - 11.2375	11.2275 - 11.2375	⅞-⅜orepm	0.67	1⅞-⅜pm	0.47
France	9.6900 - 9.7100	9.7000 - 9.7100	⅝-⅜cpm	0.62	1¼-⅞pm	0.44
Sweden	10.3555 - 10.3900	10.3800 - 10.3900	⅜-⅞oredis	-0.65	1-2dis	-0.58
Japan	227.50 - 230.10	227.50 - 228.50	1⅛-1ypm	5.59	3⅜-3¼pm	5.81
Austria	20.06 - 20.12	20.08 - 20.11	2⅞-1⅞gropm	1.38	6⅞-4⅞pm	1.16
Switzerland	2.5855 - 2.5975	2.5875 - 2.5975	½-¼cpm	2.03	1⅝-1¼pm	2.03
Ecu	1.3970 - 1.4000	1.3990 - 1.4000	0.09-0.05cpm	0.60	0.17-0.11pm	0.40

Commercial rates taken towards the end of London trading. Six-month forward dollar 5.20-5.15pm. 12 Month 8.91-8.81pm

DOLLAR SPOT - FORWARD AGAINST THE DOLLAR

Mar 19	Day's spread	Close	One month	% p.a.	Three months	% p.a.
UK†	1.7085 - 1.7250	1.7110 - 1.7120	0.95-0.93cpm	6.59	2.68-2.65pm	6.23
Ireland†	1.5930 - 1.6095	1.5940 - 1.5950	0.90-0.87cpm	6.66	2.57-2.50pm	6.36
Canada	1.1925 - 1.1970	1.1960 - 1.1970	0.28-0.31cdis	-2.96	0.90-0.95dis	-3.09
Netherlands	1.8640 - 1.8815	1.8795 - 1.8805	0.84-0.87cdis	-5.46	2.46-2.49dis	-5.27
Belgium	34.10 - 34.50	34.40 - 34.50	15.00-16.00cdis	-5.40	44.00-47.00dis	-5.28
Denmark	6.4300 - 6.4925	6.4875 - 6.4925	3.00-3.30oredis	-5.82	8.85-9.45dis	-5.64
Germany	1.6540 - 1.6720	1.6690 - 1.6700	0.76-0.77pfdis	-5.50	2.24-2.26dis	-5.39
Portugal	143.15 - 143.90	143.80 - 143.90	120-130cdis	-10.43	335-355dis	-9.59
Spain	104.70 - 105.70	105.60 - 105.70	72-75cdis	-8.35	212-216dis	-8.10
Italy	1245.50 - 1258.00	1256.00 - 1256.50	8.10-8.60liredis	-7.98	23.80-24.80dis	-7.74
Norway	6.5000 - 6.5650	6.5600 - 6.5650	3.08-3.38oredis	-5.91	9.35-9.85dis	-5.85
France	5.6200 - 5.6745	5.6675 - 5.6725	2.77-2.83cdis	-5.92	8.20-8.30dis	-5.82
Sweden	5.9990 - 6.0700	6.0650 - 6.0700	3.45-3.70oredis	-7.07	10.40-10.85dis	-7.00
Japan	132.40 - 133.45	133.20 - 133.30	0.08-0.09ydis	-0.77	0.14-0.15dis	-0.44
Austria	11.6525 - 11.7475	11.7425 - 11.7475	4.90-5.35grodis	-5.24	14.40-15.60dis	-5.11
Switzerland	1.4980 - 1.5160	1.5140 - 1.5150	0.54-0.57cdis	-4.40	1.55-1.59dis	-4.15
Ecu	1.2220 - 1.2340	1.2235 - 1.2245	0.61-0.59cpm	5.88	1.82-1.76pm	5.85

Commercial rates taken towards the end of London trading. † UK, Ireland and ECU are quoted in US currency. Forward premiums and discounts apply to the US dollar and not to the individual currency.

EURO-CURRENCY INTEREST RATES

Mar 19	Short term	7 Days notice	One Month	Three Months	Six Months	One Year
Sterling	10¾ - 10¼	10⅝ - 10½	10⅝ - 10⅜	10⅞ - 10¾	11 - 10⅞	10⅞ - 10¾
US Dollar	4⅛ - 4	4⅛ - 4	4⅛ - 4¼	4⅛ - 4	4⅝ - 4½	5⅝ - 5½
Can. Dollar	6½ - 6¼	7 - 6½	7⅛ - 6⅞	7⅜ - 7¼	7⅞ - 7⅝	8¼ - 8⅛
Dutch Guilder	9⅞ - 9¾	9⅝ - 9½	9⅞ - 9¾	9⅞ - 9¾	9⅝ - 9½	9⅝ - 9½
Swiss Franc	7⅞ - 7⅝	8¼ - 8	8⅞ - 8¾	8⅞ - 8¾	8¼ - 8⅛	7⅞ - 7¾
D-Mark	9⅝ - 9½	9⅞ - 9¾	9⅞ - 9¾	9¾ - 9⅝	9¾ - 9⅝	9⅝ - 9½
French Franc	10 - 9⅞	10 - 9⅞	10 - 9⅞	10⅛ - 10	10⅛ - 10	10⅛ - 9⅞
Italian Lira	12 - 10	12¼ - 11¾	12¼ - 11¾	12¼ - 11¾	12¼ - 11¾	12⅛ - 11⅞
Belgian Franc	9⅝ - 9½	9⅝ - 9½	9⅞ - 9¾	9⅞ - 9¾	9⅞ - 9¾	9⅝ - 9½
Yen	5⅞ - 5¾	5⅞ - 5¾	5⅜ - 5¼	4⅞ - 4¾	4⅞ - 4¾	4⅝ - 4½
Danish Krone	10 - 9⅞	10 - 9⅞	10 - 9⅞	10 - 9⅞	10 - 9⅞	10 - 9⅞
Asian $Sing	3⅛ - 3	3¼ - 3⅛	3⅜ - 3¼	3½ - 3⅜	3⅞ - 3¾	4 - 3⅞
Spanish Peseta	12⅝ - 12¼	12⅞ - 12⅝	12⅞ - 12⅝	12⅞ - 12⅝	12⅝ - 12¼	12½ - 12¼

Long term Eurodollars: two years 6⅛-6⅛ per cent; three years 6⅞-6⅝ per cent; four years 7⅜-7¼ per cent; five years 7⅝-7½ per cent nominal. Short term rates are call for US Dollars and Japanese Yen; others, two days' notice.

EXCHANGE CROSS RATES

Mar.19	£	$	DM	Yen	F Fr.	S Fr.	N Fl.	Lira	C$	B Fr.	Ecu
£	1	1.712	2.858	228.0	9.705	2.593	3.218	2150.	2.047	58.95	1.399
$	0.584	1	1.669	133.2	5.669	1.515	1.880	1256	1.196	34.43	0.817
DM	0.350	0.599	1	79.78	3.396	0.907	1.126	752.3	0.716	20.63	0.490
YEN	4.386	7.509	12.54	1000.	42.57	11.37	14.11	9430	8.978	258.6	6.136
F Fr.	1.030	1.764	2.945	234.9	10.	2.672	3.316	2215	2.109	60.74	1.442
S Fr.	0.386	0.660	1.102	87.93	3.743	1	1.241	829.2	0.789	22.73	0.540
N Fl.	0.311	0.532	0.888	70.85	3.016	0.806	1	668.1	0.636	18.32	0.435
Lira	0.465	0.796	1.329	106.0	4.514	1.206	1.497	1000.	0.952	27.42	0.651
C$	0.489	0.836	1.396	111.4	4.741	1.267	1.572	1050	1	28.80	0.683
B Fr.	1.696	2.904	4.848	386.8	16.46	4.399	5.459	3647	3.472	100.	2.373
Ecu	0.715	1.224	2.043	163.0	6.937	1.853	2.300	1537	1.463	42.14	1

Yen per 1,000: French Fr. per 10: Lira per 1,000: Belgian Fr. per 100.

FINANCIAL FUTURES AND OPTIONS

LIFFE LONG GILT FUTURES OPTIONS £50,000 64ths of 100% — [illegible]

LIFFE US TREASURY BOND FUTURES OPTIONS $100,000 points of 100% — [illegible]

LIFFE BUND FUTURES OPTIONS DM250,000 points of 100% — [illegible]

LIFFE EUROMARK OPTIONS DM1m points of 100% — [illegible]

LIFFE ITALIAN GOVT. BOND (BTP) FUTURES OPTIONS Lira 200m 100ths of 100% — [illegible]

LIFFE SHORT STERLING OPTIONS £500,000 points of 100% — [illegible]

LONDON (LIFFE)

20-YEAR 9% NOTIONAL GILT £50,000 32nds of 100% — [illegible]

US TREASURY BOND FUTURES $100,000 32nds of 100% — [illegible]

6% NOTIONAL GERMAN GOVT. BOND DM250,000 100ths of 100% — [illegible]

6% NOTIONAL LONG TERM JAPANESE GOVT. BOND Y100m 100ths of 100% — [illegible]

9% NOTIONAL ECU BOND ECU 200,000 100ths of 100% — [illegible]

12% NOTIONAL ITALIAN GOVT. BOND (BTP) LIRA 200m 100ths of 100% — [illegible]

THREE MONTH STERLING £500,000 points of 100% — [illegible]

THREE MONTH EURODOLLAR $1m points of 100% — [illegible]

THREE MONTH EUROMARK DM 1m points of 100% — [illegible]

THREE MONTH ECU ECU 1m points of 100% — [illegible]

THREE MONTH EURO SWISS FRANC SFR 1m points of 100% — [illegible]

FT-SE 100 INDEX* £25 per full index point — [illegible]

FT-SE EUROTRACK 100 INDEX DM50 per full index point — [illegible]

* Contracts traded on APT. Closing prices shown.

CHICAGO

U.S. TREASURY BONDS (CBT) 8% $100,000 32nds of 100% — [illegible]

JAPANESE YEN (IMM) Y12.5m $ per Y100 — [illegible]

U.S. TREASURY BILLS (IMM) $1m points of 100% — [illegible]

DEUTSCHE MARK (IMM) DM125,000 $ per DM — [illegible]

THREE-MONTH EURODOLLAR (IMM) $1m points of 100% — [illegible]

BRITISH POUND (IMM) $ per £ — [illegible]

STANDARD & POORS 500 INDEX $500 times index — [illegible]

SWISS FRANC (IMM) SFr 125,000 $ per SFr — [illegible]

PHILADELPHIA SE £/$ OPTIONS £31,250 (cents per £1) — [illegible]

PARIS

7 to 10 YEAR 10% NOTIONAL FRENCH BOND (MATIF) FUTURES — [illegible]

THREE-MONTH PIBOR FUTURES (MATIF) (Paris interbank offered rate) — [illegible]

CAC-40 FUTURES (MATIF) Stock Index — [illegible]

ECU BOND (MATIF) — [illegible]

Estimated volume 9,559 Total Open Interest 14,093

OPTION ON LONG-TERM FRENCH BOND (MATIF)

Strike	Calls June	Calls September	Calls December	Puts June	Puts September	Puts December
106	-	-	-	0.22	0.49	-
107	1.12	-	-	0.46	0.79	-
108	0.57	-	-	0.91	-	-
109	0.26	0.76	-	1.53	-	-
110	0.10	0.46	-	2.36	-	-
111	0.04	0.26	-	-	-	-
112	-	-	-	-	-	-
Open Int.	99,021	14,369	1,010	80,136	8,546	950

Estimated volume 52,533 Total Open Interest 204,032

POUND - DOLLAR

FT FOREIGN EXCHANGE RATES

Spot	1-mth.	3-mth.	6-mth.	12-mth.
1.7115	1.7021	1.6848	1.6597	1.6229

BASE LENDING RATES

	%		%		%
Adam & Company	10.5	Credit Lyonnais	10.5	McDonnell Douglas Bnk.	10.5
Allied Trust Bank	10.5	Cyprus Popular Bk	10.5	Midland Bank	10.5
AIB Bank	10.5	Dunbar Bank PLC	10.5	Mount Banking	10.5
● Henry Ansbacher	10.5	Duncan Lawrie	10.5	NatWestminster	10.5
B & C Merchant Bank	10.5	Equatorial Bank plc	10.5	Northern Bank Ltd	10.5
Bank of Baroda	10.5	Exeter Bank Limited	11	Nykredit Mortgage Bank	11
Banco Bilbao Vizcaya	10.5	Financial & Gen. Bank	11	Provincial Bank PLC	14
Bank of Cyprus	10.5	First National Bank Plc.	14	Roxburghe Bank Ltd.	11.5
Bank of Ireland	10.5	● Robert Fleming & Co.	10.5	Royal Bk of Scotland	10.5
Bank of India	10.5	Robert Fraser & Ptnrs.	11	● Smith & Williamson Secs.	10.5
Bank of Scotland	10.5	Girobank	10.5	Standard Chartered	10.5
Banque Belge Ltd	10.5	● Guinness Mahon	10.5	TSB	10.5
Barclays Bank	10.5	● Hambros Bank	10.5	Unibank plc	10.5
Benchmark Bank	11	Hampshire Trust Plc	13.5	● United Bk of Kuwait	10.5
Brit Bk of Mid East	10.5	Heritable & Gen Inv Bnk.	10.5	Unity Trust Bank Plc	10.5
● Brown Shipley	10.5	● Hill Samuel	10.5	Western Trust	10.5
CL Bank Nederland	10.5	C. Hoare & Co.	10.5	Westpac Bank Corp.	10.5
Citibank NA	10.5	Hongkong & Shanghai	10.5	Whiteaway Laidlaw	10.5
City Merchants Bank	10.5	Julian Hodge Bank	10.5	Yorkshire Bank	10.5
Clydesdale Bank	10.5	● Leopold Joseph & Sons	10.5		
Co-operative Bank	10.5	Lloyds Bank	10.5		
Coutts & Co	10.5	Meghraj Bank Ltd	10.5		

● Members of British Merchant Banking & Securities Houses Association.

MONEY MARKETS

Trade still subdued

THE UK money market was very subdued again after a large rise in UK jobless figures, and with mixed opinion polls failing to give any clear lead.

The resilience of sterling in the face of a deteriorating political outlook was said to be providing some comfort to the market. But the disappointing figures for unemployment, underlying earnings and unit wage costs, and very slow consumer borrowing, were seen as giving more ammunition to the Labour party in the election battle, and little comfort to the Conservatives.

Interbank rates were little changed, but remained on the firm side for a 10¼ per cent base rate, and with only the slightest positive tilt to the yield curve. The key three-month rate was unchanged at 10$\frac{13}{16}$-10$\frac{11}{16}$ per cent, although the one-year rate was down $\frac{1}{16}$ at 10$\frac{13}{16}$-10¾.

The June sterling contract opened at 89.07 and slid to a low of 88.99 on brisk early selling, before recovering slightly to 89.05.

Day-to-day funding proved more difficult than expected, despite the modest shortage forecast of £550m, as the Bank of England was prepared to offer assistance only in shorter bands. The market was not very interested in taking this up, preferring to sell off longer paper carrying a greater risk.

The Bank did not operate until midday, when the shortage was revised upwards to £600m, and it purchased £77m band 1 bank bills at 10⅜ per cent. In the afternoon, the forecast fell again to £550m, and the Bank purchased £76m bank bills in bands 1 and 2. Late assistance of £250m still left nearly £150m uncovered.

Overnight rates were up to around 11-10⅞ per cent by midday, and firmed in the afternoon to 11½ per cent to reflect the difficult conditions, before dropping back to 10½-10 per cent at the close.

German call money was stuck at the 9.60 per cent level as heavy March tax payments continued to drain liquidity. The tax payments were putting some banks under pressure yesterday, leading to heavier demand for overnight money, but dealers said supply and demand were balanced.

The Bundesbank confounded faint rumours that it might tighten its monetary policy, saying only that its council had discussed economic and monetary topics and European monetary integration at its meeting with Mr Helmut Kohl, the German chancellor.

UK clearing bank base lending rate 10.5 per cent from September 4, 1991

FT LONDON INTERBANK FIXING

(11.00 a.m. Mar 19) 3 months US dollars		6 months US Dollars	
bid 4⅜	offer 4½	bid 4½	offer 4⅝

The fixing rates are the arithmetic means rounded to the nearest one-sixteenth, of the bid and offered rates for $10m quoted to the market by five reference banks at 11.00 a.m. each working day. The banks are National Westminster Bank, Bank of Tokyo, Deutsche Bank, Banque National de Paris and Morgan Guaranty Trust.

MONEY RATES

NEW YORK — Treasury Bills and Bonds

Lunchtime					
Prime rate	6½	One month	3.63	Three year	6.25
Broker loan rate	6	Two month	4.08	Five year	7.00
Fed funds	4⅛	Three month	4.15	Seven year	7.27
Fed funds at intervention	-	Six month	4.36	10-year	7.55
		One year	4.68	30-year	7.96
		Two year	5.77		

Mar.19	Overnight	One Month	Two Months	Three Months	Six Months	Lombard Intervention
Frankfurt	9.55-9.65	9.60-9.70	9.60-9.70	9.60-9.70	9.60-9.70	9.75
Paris	9⅞-10⅛	9⅞-10	9⅞-10	9⅞-10⅛	9⅞-9⅞	9.60
Zurich	7⅞-8⅛	8⅛-8⅝	-	8⅞-8⅝	-	-
Amsterdam	9.18-9.31	9.50-9.58	-	9.53-9.60	-	-
Tokyo	5⅞-5⅜	5⅞-5⅜	-	5⅞-5⅜	-	-
Milan	12-12¼	12⅛-12⅜	-	12⅛-12⅜	-	-
Brussels	-	-	-	-	-	-
Dublin	10⅝-10⅜	10⅝-10⅜	10⅝-10⅜	10⅝-10⅜	10½-10⅝	-

LONDON MONEY RATES

Mar 19	Overnight	7 days notice	One Month	Three Months	Six Months	One Year
Interbank Offer	11½	10⅝	10⅜	10$\frac{13}{16}$	10$\frac{15}{16}$	10$\frac{13}{16}$
Interbank Bid	10⅝	10¼	10⅜	10$\frac{11}{16}$	10$\frac{13}{16}$	10$\frac{11}{16}$
Sterling CDs	-	-	10$\frac{11}{16}$	10$\frac{11}{16}$	10$\frac{13}{16}$	10¾
Local Authority Deps.	10¼	10⅜	10⅝	10⅝	10¾	10¾
Local Authority Bonds	-	-	-	-	-	-
Discount Mkt Deps	10⅞	10¼	-	-	-	-
Company Deposits	-	-	10¾	10⅞	10⅞	10⅞
Finance House Deposits	-	-	10⅝	10$\frac{13}{16}$	10$\frac{13}{16}$	10⅞
Treasury Bills (Buy)	-	-	10¼	10⅝	10⅛	-
Bank Bills (Buy)	-	-	10¼	10¼	10⅜	-
Fine Trade Bills (Buy)	-	-	-	-	-	-
Dollar CDs	-	-	4.35	4.35	4.55	5.08
SDR Linked Dep. Offer	-	-	6⅞	6⅞	6⅞	6⅝
SDR Linked Dep. Bid	-	-	6⅞	6⅞	6⅞	6½
ECU Linked Dep. Offer	-	-	10⅛	10¼	10¼	10⅛
ECU Linked Dep. Bid	-	-	10	10⅛	10⅛	10⅛

Treasury Bills (sell): one-month 10⅛ per cent; three months 10⅛ per cent; six months 10 per cent; Bank Bills (sell): one-month 10$\frac{3}{16}$ per cent; three months 10⅞ per cent: Treasury Bills: Average tender rate of discount 10.1247 p.c. ECGD Fixed Rate Sterling Export Finance. Make up day February 28, 1992. Agreed rates for period Mar.25, 1992 to April 25, 1992, Scheme I: 11.67 p.c. Schemes II & III: 11.64 p.c. Reference rate for period Feb 1, 1992 to February 28, 1992, Scheme IV&V: 10.433 p.c. Local Authority and Finance Houses seven days' notice, others seven days' fixed. Finance Houses Base Rate 11 from March 1, 1992: Bank Deposit Rates for sums at seven days notice 4 per cent. Certificates of Tax Deposit (Series 6); Deposit £100,000 and over held under one month 7 per cent; one-three months 9½ per cent; three-six months 9 per cent; six-nine months 9 per cent; nine-twelve months 9 per cent; Under £100,000 7 per cent from Sept 5, 1991. Deposits withdrawn for cash 5 per cent.

MONEY MARKET FUNDS

Money Market Trust Funds

[illegible]

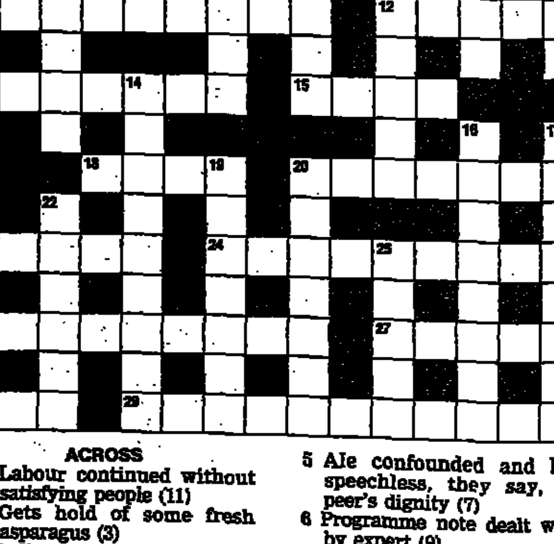
Money Market Bank Accounts

[illegible]

JOTTER PAD

CROSSWORD

No.7,803 Set by HIGHLANDER



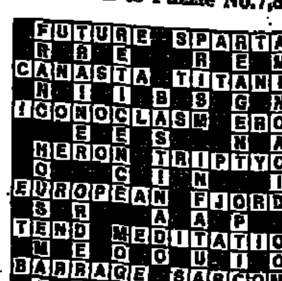
ACROSS

1 Labour continued without satisfying people (11)
7 Gets hold of some fresh asparagus (3)
9 Indian leaders of American Zuni tribes exude confidence (5)
10 Boundary established by one measuring device (9)
11 Rub out the grain on original door (9)
12 Soldiers in retreat find harbour, capturing nothing (5)
13 Small bits of timber spotted with grime (7)
15 He departed in the middle of writing classes (4)
18 The way round a royal dictator (4)
20 Profit in a piece of china is slim (5,2)
23 Craft circumnavigates every year by itself (5)
24 Perhaps I prefer to charge excessive prices (9)
26 Firm spill the beans about worker being informed (9)
27 Porter right to raise the alarm (5)
28 Continue the game, taking knight (3)
29 He maintains the course gives fresh start to football defender (11)

DOWN

1 Beat is in decent surroundings (8)
2 Ginger is the head cook (8)
3 Indians are limited in America to one small society (5)
4 Previous story line written round one heroic deed (7)
5 Ale confounded and left speechless, they say, by peer's dignity (7)
6 Programme note dealt with by expert (9)
7 Casserole dish much favoured by retired head (6)
8 Band on Sunday is rubbish (6)
14 What compositor produces after increase is disturbing (9)
16 Requirement within store is extremely involved (4-4)
17 Dreadfully poor rate for machine-minder (8)
19 Supersede corded fabric with delicate patterned material (7)
20 Put piece of bread on top of consommé? Not our cook! (7)
21 This sort of growth is dangerous sign (6)
22 Special language clash has left English out (6)
25 One game can change the picture (5)

Solution to Puzzle No.7,802



Sep 1 ... [illegible]

WORLD STOCK MARKETS

AUSTRIA

March 19	Sch	+ or –
Austrian Airlines	2,685	....
Creditanstalt Pf	548	–4
EA General	3,800	–10
EVN	862	–6
Jungbunzlauer	11,970	+170
OeMV	1,004	–1
Perlmooser Zement	1,610	+10
Radex Heraklith	597	–8
Reininghaus Brue	1,700	–15
Steyr Daimler	263	–1
Veitscher Magnesit	400	....
Verbund (Br) A	549	+1
Wienerberger	5,020	....
Z-Laenderbank	1,090	....

BELGIUM/LUXEMBOURG

March 19	Frs.	+ or –
ACEC-Union Min	2,395	+35
AG Group	2,155	....
Arbed	4,205	+105
BBL	3,350	–70
Bank Intl a Lux	12,000	....
Banq Gen Lux Pts	11,925	+25
Barco	1,262	–2
Bekaert	11,650	+50
CBR Ciment	8,400	–30
Cobepa	5,000	–20
Cobepa AFV 1	4,955	+5
Cockerill Priv	161	–1
Colruyt	4,730	–45
Delhaize Frs Lion	9,110	–100
Electrabel	5,010	–10
Electrabel AFV	4,920	–5
Electrafina ACT	2,585	–15
GBL	3,315	+15
GBL AFV 1	3,300	+40
GIB Group	1,342	–18
GIB Group AFV	1,300	....
Gechem	391	....
Gechem AFV	386	....
Generale Banque	6,730	–10
Gen Banque AFV1	6,700	+60
Gevaert	7,030	....
Kredietbank	4,885	–15
[illegible]	[illegible]	[illegible]

FRANCE (continued)

March 19	Frs.	+ or –
Bongrain	2,869	–26
Bouygues	601	–12
CGIP	1,227	–12
C M B Packaging	197	–1.90
Canal+	1,076	–18
Cap Gemini S	319	–2
Carrefour	2,560	....
Casino	159.10	–3.90
Cetelem	810	–15
Chargeurs	1,179	+13
Club Mediterranee	528	+2
Cogifi	347.10	–1.90
Coparex	649	+44
C C F	187.60	–0.90
Cr Fonc France	961	–24
Cred Lyon (CI)	573	–11
Credit Nationale	1,112	–3
Damart	2,675	–73
Docks de France	412	–1
Dollfus Mieg Cie	310.40	–1.60
EBF	885	–17
Eaux Cie Genl	2,252	–2
Ecco	434	....
Elf-Aquitaine	359.50	–0.80
Elf-Aquitaine Certs	243	....
Essilor Int	401.50	+4.40
Etex	1,809	+19
Eurafrance	1,625	+10
Eurocom	600	–9
Euro Disney	161.30	–2.10
Exor	1,442	–23
Fimalac	120	+1
Fonc Lyonnaise	664	+2
From G et Aav	2,995	–5
GTM-Entrepose	376	–3
Gal. Lafayette	1,784	+34
Gaumont (Soc.N)	633	–7
Geophysique	620	+3
Hachette	174	–3
Havas	489	–2
Imetal	312	–3.90
Imm de France	890	+10
Immobanque	675	–4
Immob Phenix	146.60	–1.40
Industrielle	[illegible]	[illegible]

CANADA

Sales	Stock	High	Low	Close	Chng
200	Canamax	35	35	35	
20300	Cantor	$27¼	27½	27⅝	+⅛
1500	CnPcForest	$24⅞	24⅞	24⅞	
5800	Cara Op	$5⅝	5⅜	5⅜	+⅛
7000	Cascades	$7½	7⅜	7⅜	+⅛
1000	Celanese x	$46	46	46	
8000	Cntrl Cap	29	29	29	
54700	Cmpx Odn	405	385	390	–10
4200	Cntrl Fd A	455	450	455	
48800	Cominco	$20⅝	20¼	20¼	–⅛
6300	Coputalog	75	72	72	–3
16800	Invest Grp	$25½	25½	25½	
1000	Intco A	310	310	315	
1600	Jannock	$17	17	17	–⅛
500	KerrAddis	$16¼	16¼	16¼	
58400	Labatt	$25¼	25½	25½	+⅛
608200	Lac Mnls	$7⅛	d7	7⅛	–⅛
400	Lafarge	$17¾	17¾	17¾	
5000	Laidlaw A	$12	11⅞	12	+⅛
375000	Laidlaw B	$12⅛	11⅞	12⅛	+⅛
400	Laurent Bk	$19	d19	19¼	+¼
13100	Ranger Oil	$8⅛	8⅛	8⅛	
8900	Rayrock	$6	5¾	5¾	–⅛
8200	Reed Sten	$25	25	25	+⅛
400	Reitman S	$18	18	18	
91000	Ren'ssance	$12⅝	12½	12½	
357300	Repap Ent	460	d445	455	+5
1900	Rio Algom	$18⅛	18⅛	18⅛	
23800	RogersComB	$13	12¾	12⅞	
700	Rothmans	$93	93	93	
371800	RoyalBkCan	$25½	25¼	25⅜	+⅛
93100	Ryl Oak Mn	187	180	187	+3
39100	Cascades	$7½	7⅛	7⅜	+⅛
900	DominTxt A	$8¾	8¼	8¼	
157100	MacleanHnt	$11⅝	11⅝	11⅝	+⅛
42500	NatBk Can	$11⅝	d11⅜	11⅝	
200	Provigo x	$8¾	8¾	9	
8400	Quebecor A	$13	12¾	13	
12100	Teleglobe x	$12¼	12	12¼	–⅛
4600	Videotron	$16⅞	16¾	16¾	+⅛

Total Sales 11,286,000 shares

INDICES

NEW YORK

DOW JONES	Mar 18	Mar 17	Mar 16	Mar 13	1992 HIGH	1992 LOW	Since compilation HIGH	Since compilation LOW
◆Industrials	3254.25	3256.04	3236.36	3235.91	3290.25 (3/3)	3172.41 (2/1)	3290.25 (3/3/92)	41.22 (2/7/32)
Home Bonds	98.56	98.50	98.54	98.69	99.81 (6/2)	98.50 (17/3)	99.81 (6/2/92)	54.99 (1/10/81)
Transport	1401.72	1408.82	1395.74	1400.78	1467.68 (20/2)	1342.12 (2/1)	1532.01 (5/9/89)	12.32 (8/7/32)
Utilities	204.62	204.87	204.06	203.30	225.59 (3/1)	202.55 (6/3)	236.23 (2/1/90)	10.50 (8/4/32)

◆Day's High 3281.98 (3272.58) Low 3230.10 (3222.27)

STANDARD AND POOR'S

	Mar 18	Mar 17	Mar 16	Mar 13	1992 HIGH	1992 LOW	Since compilation HIGH	Since compilation LOW
Composite ‡	409.15	409.58	406.39	405.84	420.77 (15/1)	403.89 (12/3)	420.77 (15/1/92)	4.40 (1/6/32)
Industrials	487.39	487.93	483.80	483.15	499.27 (15/1)	480.59 (12/3)	499.27 (15/1/92)	3.62 (21/6/32)
Financial	34.44	34.32	34.00	33.91	35.14 (15/1)	33.53 (31/1)	35.24 (9/10/89)	8.64 (1/10/74)
NYSE Composite	225.94	226.01	224.44	224.30	231.85 (15/1)	223.30 (12/3)	231.85 (15/1/92)	4.46 (25/4/42)
Amex Mkt. Value	400.97	405.64	402.88	404.06	418.99 (12/2)	395.51 (2/1)	418.99 (12/2/92)	29.31 (9/12/72)
NASDAQ Composite	624.94	623.27	617.94	618.62	644.92 (12/2)	586.45 (2/1)	644.92 (12/2/92)	54.87 (31/10/72)

	Mar 13	Mar 6	Feb 28	year ago (approx.)
Dow Industrial Div. Yield	2.84	2.84	2.79	3.42
	Mar 11	**Mar 4**	**Feb 26**	**year ago (approx.)**
S & P Industrial div. yield	2.64	2.61	2.57	2.83
S & P Indl. P/E ratio	28.51	28.61	29.03	17.53

NEW YORK ACTIVE STOCKS

Wednesday	Stocks traded	Closing price	Change on day
Waste Man	4,975,900	40½	- 2¼
Blockbuster	3,546,900	13½	- ¼
Glaxo	2,312,100	26⅝	- ⅜
Ford Motor	2,296,800	39	+ ¾
RJR Nabisco	1,992,900	9¼	- ⅛
Am T & T	1,976,500	39⅝	+ ¼
Chrysler	1,768,200	17¾	- ¼
Eastman Kodak	1,672,000	40⅝	+ ¾
Limited	1,515,300	29⅝	+ ¼
Unisys	1,488,900	10⅛	+ ¼

TRADING ACTIVITY

† Volume (Millions)	Mar 18	Mar 17	Mar 16
New York SE	190.800	187.240	151.280
Amex	28.357	14.694	15.669
NASDAQ	179.271	173.766	140.845
NYSE			
Issues Traded	2,230	2,222	2,213
Rises	908	1,064	771
Falls	804	649	926
Unchanged	518	509	516
New Highs	61	57	33
New Lows	26	16	30

CANADA

TORONTO	Mar 18	Mar 17	Mar 16	Mar 13	1992 HIGH	1992 LOW
Metals & Minerals	2986.63	2968.93	2961.53	2985.40	3238.87 (16/1)	2935.22 (2/1)
Composite	3451.86	3439.84	3444.14	3475.79	3666.00 (16/1)	3439.84 (17/3)
MONTREAL Portfolio	1798.39	1800.33	1806.92	1821.66	1937.59 (16/1)	1798.39 (18/3)

Base values of all indices are 100 except NYSE All Common – 50; Standard and Poor's – 10; and Toronto Composite and Metals – 1000. Toronto indices based 1975 and Montreal Portfolio 4/1/83. † Excluding bonds. ‡ Industrial, plus Utilities, Financial and Transportation. (c) Closed. (u) Unavailable.

	Mar 19	Mar 18	Mar 17	Mar 16	1992 HIGH	1992 LOW
AUSTRALIA						
All Ordinaries (1/1/80)	1571.4	1568.8	1578.9	1586.7	1675.60 (15/1)	1568.00 (18/3)
All Mining (1/1/80)	681.3	685.2	695.3	699.9	717.20 (25/2)	660.30 (2/1)
AUSTRIA						
Credit Aktien (30/12/84)	439.62	439.96	435.83	430.29	685.20 (18/3)	372.24 (2/1)
Traded Index (2/1/91)	1050.27	1052.35	1040.63	1025.08	1099.43 (24/2)	901.64 (2/1)
BELGIUM						
BEL20 (1/1/91)	1204.54	1208.26	1209.76	1208.76	1234.72 (3/3)	1097.23 (8/1)
DENMARK						
Copenhagen SE (3/1/83)	338.69	338.84	338.50	340.12	365.29 (15/1)	338.50 (17/3)
FINLAND						
HEX General (28/12/90)	863.0	856.1	853.0	860.0	935.90 (24/2)	779.00 (2/1)
FRANCE						
CAC General (31/12/82)	522.36	524.45	522.71	523.48	534.00 (11/3)	475.53 (2/1)
CAC 40 (31/12/87)	1921.99	1928.18	1943.59	1929.22	1993.88 (10/3)	1749.91 (2/1)
GERMANY						
FAZ Aktien (31/12/58)	700.79	704.45	702.27	700.70	715.44 (3/3)	643.26 (8/1)
Commerzbank (1/12/53)	1982.5	1993.9	1988.0	1983.1	2026.70 (3/3)	1813.80 (8/1)
DAX (30/12/87)	1725.08	1732.18	1730.07	1734.80	1764.80 (5/3)	1578.73 (8/1)
HONG KONG						
Hang Seng Bank (31/7/64)	4990.59	5036.07	5045.39	5059.86	5071.19 (13/3)	4301.78 (2/1)
IRELAND						
ISEQ Overall (4/1/88)	1395.66	1397.86	(c)	1400.25	1469.57 (17/1)	1391.49 (8/1)
ITALY						
Banca Com. Ital. (1972)	514.34	510.09	503.28	505.27	551.59 (6/2)	503.28 (17/3)
MIB General (2/1/87)	1012.0	1007.0	992.0	994.0	1086.00 (5/2)	981.00 (2/1)
JAPAN						
Nikkei (16/5/49)	20185.09	19764.31	19917.63	19837.16	23801.18 (6/1)	19764.31 (18/3)
Tokyo SE (Topix) (4/1/68)	1451.14	1407.78	1433.87	1444.86	1763.43 (6/1)	1407.78 (18/3)
2nd Section (4/1/68)	2126.35	2115.93	2160.83	2181.22	2459.85 (6/1)	2115.93 (18/3)
MALAYSIA						
KLSE Composite (4/4/86)	597.96	600.40	594.49	591.74	619.06 (20/2)	546.63 (14/1)
NETHERLANDS						
CBS Ttl Rtn.Gen.(End 1983)	292.9	292.6	292.4	291.1	295.18 (4/3)	274.08 (8/1)
CBS All Shr (End 1983)	205.7	205.5	205.3	204.4	4379.00 (17/3)	192.40 (8/1)
NORWAY						
Oslo SE (Ind) (2/1/83)	713.6	713.63	701.45	696.64	748.03 (17/1)	667.88 (25/2)
PHILIPPINES						
Manila Comp (2/1/85)	1105.07	1101.27	1083.01	1106.61	1303.30 (17/1)	1083.01 (17/3)
SINGAPORE						
SES All-Singapore (2/4/75)	386.83	386.71	387.93	388.04	416.99 (21/1)	384.78 (9/3)
SOUTH AFRICA						
JSE Gold (28/9/78)	1125.0‡	1167.0	1165.0	1186.0	1327.00 (21/1)	1119.00 (2/1)
JSE Industrial (28/9/78)	4403.0‡	4447.0	4385.0	4368.0	4535.00 (15/1)	4169.00 (2/1)
SOUTH KOREA**						
Korea Comp Ex. (4/1/80)	612.67	614.36	615.19	608.36	691.48 (8/2)	604.63 (15/1)
SPAIN						
Madrid SE (30/12/85)	(ch)	258.53	259.22	258.87	266.51 (28/2)	238.93 (2/1)
SWEDEN						
Affarsvarlden Gen (1/2/37)	1007.70	1002.50	988.70	988.6	1007.70 (19/3)	913.70 (2/1)
SWITZERLAND						
Swiss Bank Ind. (31/12/58)	813.0	808.6	807.5	798.3	817.50 (4/3)	748.50 (8/1)
SBC General (1/4/87)	644.7	640.9	639.4	634.3	650.10 (3/3)	601.10 (8/1)
TAIWAN**						
Weighted Price (30/6/66)	4810.23	4851.95	4890.32	5012.96	5391.63 (30/1)	4692.17 (6/1)
THAILAND						
Bangok SET (30/4/75)	811.78	808.49	795.76	792.29	816.50 (17/2)	711.81 (3/1)
WORLD						
M.S. Capital Intl.(1/1/70) ($)	493.4*	491.8	492.0	490.2	542.10 (7/1)	490.20 (16/3)
Euro Top-100 (26/6/90)	923.09	922.82	923.17	917.92	943.20 (3/3)	870.31 (2/1)

**Saturday March 14: Taiwan Weighted Price: 5029.61. Korea Comp Ex. 609.45.
‡ Subject to official recalculation. †Madrid closed. *Calculated at 15.00 GMT.
Base values of all indices are 100 except: Austria Traded, BEL20, HEX Gen., MIB Gen., Euro Top-100, ISEQ Overall and DAX – 1,000, JSE Gold – 255.7, JSE 26 Industrials – 264.3 and Australia All Ordinary and Mining – 500; (c) Closed. (u) Unavailable.

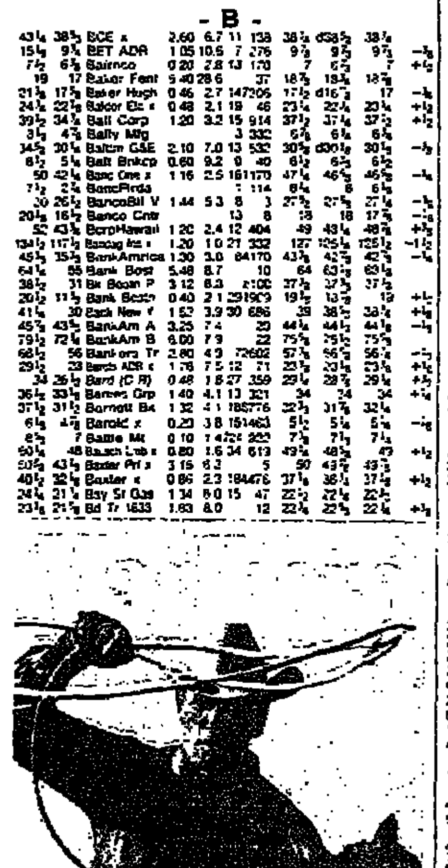
TOKYO - Most Active Stocks
Thursday 19 March 1992

	Stocks Traded	Closing Prices	Change on day
Nippon Steel	27.4m	310	+14
Mitsubishi Heavy	9.6m	584	+14
Bank Yokohama	8.5m	1,090	+90
Meiji Seika	7.8m	715	0
Tobu Rail	6.4m	755	0
Hitachi	6.2m	758	+3
Ashikaga Bank	5.9m	1,010	+80
Chiba Bank	5.8m	860	+85
NKK	5.6m	276	+10
Toshiba	5.1m	684	–20

3:00 pm prices March 19

NEW YORK STOCK EXCHANGE COMPOSITE PRICES

1992 High	1992 Low	Stock	Div.	Yld. %	P/E	Sls 100s	High	Low	Close Quote	Ch'ge Prev. Close
15⅞	12¼	AAR Corp	0.48	3.2	16	234	15	14⅝	14⅞	+⅛
25	20⅝	A L Labs A	0.18	0.7	114	445	24½	24	24¼	-⅛
66¼	59⅛	AMP Inc	1.52	2.5	24	450	60⅝	60¼	60½	-¼
80¼	68⅞	AMR			27	2481	78⅞	77¾	78½	+⅓
2⅛	1⅛	ARX			2	4	1⅞	1⅞	1⅞	
53½	43⅞	ASA	2.75	6.1	13	384	45¾	44⅞	45¼	+⅓
68⅞	58¾	Abbott Lab	1.20	2.0	23	2301	60⅞	59⅞	60	
13½	12⅛	Abitibi Pr	0.50	3.7	28	11	13⅜	13¼	13⅜	+⅛
11⅝	10½	ACM Gvt In x	0.96	9.2		130	10½	d10⅜	10⅝	-⅛
10⅞	9⅛	ACM GvOpp x	0.80	8.5		53	9½	9¼	9⅜	
9½	8⅞	ACM Gvt Sp	0.80	9.0		248	8⅞	8¾	8⅞	
11¼	10½	ACM Gvt Se	0.98	9.2		294	10½	10⅝	10⅝	
9⅞	8⅝	ACM Man x	0.95	10.6		184	9	9⅞	9	
12⅞	10⅞	ACM Mgd x	1.08	9.7		104	11¼	11⅛	11⅛	
10⅞	7	Acme Cleve	0.40	3.6	21	319	u11⅛	10¾	11¼	+⅓
6¼	4½	Acme Elect			4	7	6	5⅞	5⅞	-⅛
33¼	19½	Acuson			11	7704	19¾	d19	19	-⅞
19⅞	18½	Adams Expr	0.48	2.5	0	93	19¼	19⅛	19¼	+⅛
15½	13	Adobe12Pl	2.40	16.8		91	14¼	14½	14½	
5⅞	4½	Adobe Res			2	940	5	4⅞	5	+⅛
49⅛	40½	Ad Micro	3.00	6.7		122	44⅞	44¼	44½	+⅓
21½	18⅞	Ad Micro P	3.00	16.1	12	1904	18⅞	18½	18⅝	-⅛
9⅛	5	Advest Grp	0.16	2.2	20	45	7½	7⅛	7⅛	
71⅛	67⅛	Aegon ADR			6	2	68⅝	68½	68⅝	
47	39	Aetna Ll	2.76	6.2	9	2609	44⅝	44	44⅝	+⅝
12	8⅞	Ahli A	0.24	2.3	74	209	10⅝	10½	10½	-¼
[illegible]										



Continued on next page

NYSE COMPOSITE PRICES

Continued from previous page

1992 High	1992 Low	Stock	Div.	Yld. %	P/E	Sls 100s	High	Low	Close Quote	Ch'ge Prev. Close
[illegible]	18	RussBerrie	0.70	2.7	19	1258	25⅞	25	25⅞	+⅞
1⅛	¼	Russ Togs	0.20	58.2	0	592	[illegible]	[illegible]	[illegible]	[illegible]
40⅞	33½	Russell Cp	0.32	0.9	28	75	36½	36¼	36¼	+⅛
25⅛	19⅝	Ryder Syst	0.60	2.5	28	1174	24	23⅞	23⅞	
28	22¼	Ryland Grp	0.60	2.4	47	7868	25⅛	24½	25	−⅛
		- S -								
21	17½	S Anita Rx x	1.72	9.4	17	79	18⅞	18½	18½	+⅛
18⅞	15¼	SCOR US Cp x	0.28	1.5	10	39	18⅛	17¾	18⅛	
29½	24¾	SPS Techno x	1.28	4.7	21	86	27⅛	27⅛	27⅛	
1	[illegible]	Saatchi&S	0.19	20.3	1	309	[illegible]	[illegible]	[illegible]	
13	12⅛	Sabine Rit x	1.43	11.2	7	7	12⅞	12⅞	12⅞	−⅛

1992 High	1992 Low	Stock	Div.	Yld. %	P/E	Sls 100s	High	Low	Close Quote	Ch'ge Prev. Close
19⅞	15⅝	TJX Cos	0.48	2.4	19	2537	u19½	19	19¼	+¼
21¾	19	TNP Enterp	1.63	8.5	8	88	19¾	19½	19⅝	
48⅞	41	TRW Inc	1.80	3.9	20	550	u48⅞	48½	48⅞	+⅞
1½	⅞	TacomaBoat			0	49	[illegible]	0.21	0.21	
30⅞	24½	Taiwan Fd				72	27¾	27⅛	27¼	
4¼	2⅞	TalleyInd	0.20	7.0	0	100	3	d2¾	2⅞	−⅛
7½	5⅜	Talley Pf	1.00	19.0		30	5½	d5¼	5¼	−⅜
70½	61¾	Tambrands	1.36	2.1	25	288	64⅞	63⅞	64	
15⅛	11	Tandem			9	32700	12⅞	12⅛	12⅛	−⅛
31⅞	24	Tandy Corp	0.60	2.0	13	1965	29⅞	29⅜	29⅝	
13	11⅞	Taurus Mun x	0.89	7.0		16	12¾	12⅛	12¾	
41½	38	Teco Energ	1.72	4.5	14	314	38	37⅞	37⅞	−⅛
22⅞	16½	Tektronix	0.60	3.2	12	1555	18½	17¾	18½	+1

1992 High	1992 Low	Stock	Div.	Yld. %	P/E	Sls 100s	High	Low	Close Quote	Ch'ge Prev. Close
9⅞	9½	USLIFE Inc	0.92	9.7	0	12	9½	9½	9½	
24¾	21	USX Mrtho	1.40	6.7	23	8127	21⅛	d21	21	−⅛
29⅝	23⅝	USX US Stl	1.00	3.8		31587	26¼	25⅞	26¼	+¼
28⅛	25	Utilcp1.775	1.78	6.8		4	26¼	26¼	26¼	−⅛
29	26¼	UtiliCorp	1.60	5.9	12	152	27⅛	27⅛	27⅛	
		- V -								
46⅞	38½	VF Corp	1.08	2.3	16	1465	u46⅞	45	46⅝	+1⅜
[illegible]	[illegible]	VMS Mtge F			0	51	[illegible]	[illegible]	[illegible]	
33⅞	27⅞	Valero En	0.36	1.2		264	31½	31	31	−⅛
11⅞	7⅞	ValeroNGas	2.50	28.2	4	308	8⅞	8⅛	8⅞	+⅞

1992 High	1992 Low	Stock	Div.	Yld. %	P/E	Sls 100s	High	Low	Close Quote	Ch'ge Prev. Close
53½	50½	Xerox4.125				z100	52	52	52½	+½
29½	24⅞	Xtra 1.94	1.94	6.8		36	u28½	28	28½	+⅜
37	28½	Xtra Corp	0.80	2.2	15	86	36⅞	36½	36⅝	
27	25¾	Yankee Egy	1.60	6.1	12	11	26½	26⅜	26⅜	−⅛
1½	½	Zapata			34	269	1⅜	1¼	1⅜	+⅛
11⅞	7¼	ZenithElec				51039	9⅝	9½	9½	+⅛
17¾	14½	Zenith Nar	1.00	6.0	7	12	16¾	16¾	16⅝	
6¾	6	Zenix Inc x	0.85	12.8		44	6⅝	6⅝	6⅝	+⅛
13¾	11⅛	Zero Corp	0.40	3.0	20	31	13⅛	13	13⅛	+⅛
38	34⅛	Zurn Ind x	0.88	2.4	16	48	36½	36⅛	36½	+⅛
14⅞	12¾	Zweig Fund	1.16	8.8		127	13¾	13⅛	13¼	+⅛
11	9⅞	Zweig Tot x	0.96	9.2		271	10½	10⅜	10⅜	−⅛

Price data supplied by Telekurs.

Yearly highs and lows reflect the period from Jan 1. excluding the latest trading day. Where a split or stock dividend amounting to 25 percent or more has been paid, the year's high-only range and dividend are shown for the new stock only. Unless otherwise noted, rates of dividend are annual disbursements based on the latest declaration. Sales figures are unofficial.

a-dividend also xtra(s). b-annual rate of dividend plus stock dividend. c-liquidating dividend. cld-called. d-new yearly low. e-dividend declared or paid in preceding 12 months. g-dividend in Canadian funds, subject to 15% non-residence tax. i-dividend declared after split-up or stock dividend. j-dividend paid this year, omitted, deferred, or no action taken at latest dividend meeting. k-dividend declared or paid this year, an accumulative issue with dividends in arrears. n-new issue in the past 52 weeks. The high-low range begins with the start of trading. nd-next day delivery. P/E price-earnings ratio. r-dividend declared or paid in preceding 12 months, plus stock dividend. s-stock split. Dividends begin with date of split. sls-sales. t-dividend paid in stock in preceding 12 months, estimated cash value on ex-dividend or ex-distribution date. u-new yearly high. v-trading halted. vi-in bankruptcy or receivership or being reorganised under the Bankruptcy Act, or securities assumed by such companies. wd-distributed. wi-when issued. ww-with warrants. x-ex-dividend or ex-rights. xdis-ex-distribution. xw-without warrants. y-ex-dividend and sales in full. yld-yield. z-sales in full.

AMEX COMPOSITE PRICES

3:00 pm prices March 19

Stock	Div.	P/E	Sls 100s	High	Low	Close	Chng
Pall Corp	0.38	27	670	25½	25⅛	25¼	+⅛
Pegasus G	0.10	33	461	12⅜	12⅛	12¼	−⅛
Pentel		51	7	14	13⅞	13⅞	
Pet RBP x	0.31	8	z100	10½	10½	10⅜	−¼
Phil LD x	0.25	14	1025	34	33¼	33⅛	+½
Pitney A x	0.70	16	25	31	30⅝	31	+⅛

NASDAQ NATIONAL MARKET

3:00 pm prices March 19

Stock	Div.	P/E	Sls 100s	High	Low	Last	Chng
A&WBrands	0.44	25	39	39	38½	39	+¼
ACC Corp	0.16	67	19	16¾	16	16¾	+⅛
Acclaim E		39	417	8	7⅞	7⅞	
AcmeSteel		48	z100	16¾	16	16	
Acxiom Cp		30	86	16½	15½	16	+¼
Adaptech		63	829	33	32	32⅝	−⅜
ADC Tele		24	37	26½	26	26½	+½
Addington		156	86	9⅝	9¼	9⅝	+⅛
Adia Serv	0.16	26	400	17⅞	16⅞	17¼	+1⅛
Adobe Sys	0.32	24	10113	55¼	52½	55	
ADT Ad 1	0.32	4	7890	8⅛	8⅝	8¾	
Advance C		9	56	9⅝	9⅜	9½	+⅛
Adv Logic		6	183	7½	7	7	
Adv Polym		25	488	11⅝	10⅝	11⅜	−¼

Stock	Div.	P/E	Sls 100s	High	Low	Last	Chng
Dig Sound		35	298	4⅛	d4	4⅛	
Dig Syst		14	124	14½	14	14	
Dionex Cp		17	47	30½	29⅞	30½	+½
Dixie Yrn x	0.20	3	15	11⅜	10⅝	11⅛	+⅛
DNA Plant		9	573	7¼	7	7⅛	−⅛
Dollar Gn	0.20	26	1590	27⅛	26⅞	26½	+⅛
Dom Bkshs	0.44	28	291	14⅝	14¼	14¼	−⅛
Dorch Hm	0.20	39	3	8⅛	8	8	
DrexcoEngy		7	76	10⅛	9¾	10⅛	+⅛
DressBarn		17	3638	12⅛	11¾	12	
Drey GO	0.24	27	220	29½	29	29¼	
Drug Empo	0.12	22	247	8½	8¼	8¼	−⅛
DS Bancor	1.20	33	72	14½	14	14¼	−¼
Dunkron	0.60	17	78	27	26¾	27	+⅛

Stock	Div.	P/E	Sls 100s	High	Low	Last	Chng
Ladd Furn	0.12	16	308	11¼	10¾	11¼	+⅛
Lam Rsch		21	243	13¾	13½	13¾	+⅛
Lancaster	0.88	21	613	47¾	46½	47⅛	−⅞
Lance Inc	0.88	21	306	25⅜	24¾	25½	+⅞
LancstrGpo		11	1926	13	12¼	12¾	
Laserscope		8	101	7	d6¾	6¾	
Lattice S		19	63	16⅝	16⅞	16⅝	+⅛
Lawson Pr	0.40	22	346	28	27½	27½	+¼
LDI Cp		9	27	15	14	15	+1
Lechters		28	2882	46¼	41¼	42⅛	−3⅞
Legent Cp		24	18	40⅛	39¾	40¼	+½
LibtyNtBc	1.20	13	257	29	28⅞	28⅝	−⅛
Life Tech x	0.20	22	78	20¾	20	20	
Lifeline		20	38	13¼	12½	13¼	+⅜

Stock	Div.	P/E	Sls 100s	High	Low	Last	Chng
Sci Sstmp x	1.00	17	77	u40	39½	39⅝	+⅛
SEI Cp	0.16	23	16	30¼	29¾	29¾	−¼
Seibels B	0.36	2	627	5⅞	5½	5⅝	−⅛
Selectinc	1.04	6	45	19	18½	18½	−½
Sequent		12	2204	14⅛	14	14⅛	
Sequoia		15	198	14¾	14¼	14⅜	−¼
Serv Tech		14	134	10	9¼	9¾	−¼
ServFract		10	726	2¼	2	2⅛	+⅛
Severson		13	3	10¾	10¼	10¾	
SharedMed	0.84	19	824	21⅜	21	21⅞	+⅝
SHL Systm		247	233	12½	12	12⅜	+⅜
Shorewood		13	160	8	7½	7½	−½

Stock	Div.	P/E	Sls 100s	High	Low	Last	Chng
Weitek		20	50	6	5⅝	5¾	−¼
West One	1.04	13	118	39	38½	39	+¼
WstnPubl		58	277	18⅞	18⅜	18⅝	
Westmark		26	382	56	55	55⅝	+⅛
WestnCoal	0.32	10	8	16¾	16	16⅞	+¾
Wst SealA		32	75	12¼	11½	11½	−¼
Wetterau	0.68	10	162	22¾	22¼	22½	
Wical Sys		67	265	3⅞	3¼	3⅜	−⅛
Willmette	1.88	45	1868	84¾	82¼	82½	−2
WmsSonoma		27	199	17¼	16½	16½	
Wiser Oil	0.40	51	82	14⅞	14⅜	14½	
Wolohan L	0.28	16	25	22¼	21½	22¼	+¼
Wolf Expl		0	645	[illegible]	[illegible]	[illegible]	
WvEnWtGA			5	[illegible]	[illegible]	[illegible]	
Worthgtn x	0.48	27	892	24⅜	23½	24⅛	−⅛
WPP Group	1.11	1	3214	2¹¹⁄₁₆	2⅝	2¹¹⁄₁₆	+¼
Wyman-Gdn	0.40	4	333	5¼	4¾	5	+¼
			- X - Y - Z -				
Xilinx		30	6371	28⅝	27½	28⅝	+1⅛
Xoma Corp		12	846	23½	22¾	22⅞	−⅝
Yellow Fr	0.94	31	401	30¾	29¼	30	−⅝
York Rsch		43	980	5⅝	5	5¼	−⅛
ZionsUtah	1.44	10	377	49¼	47½	48⅛	−⅝

FINANCIAL TIMES Friday March 20 1992

AMERICA

Dow rises but trading volume remains low

Wall Street

EQUITIES drifted broadly higher yesterday morning, but the rally was unconvincing *given the paltry volume, writes Karen Zagor in New York.*

At 1.30 pm, the Dow Jones Industrial Average was up 10.51 at 3264.76, advances leading declines by a ratio of 9 to 7. Among other market indices, the Standard & Poor's 500 was 0.91 higher at 410.06 at 12.30 pm, while the Nasdaq *composite of secondary stocks* was 1.74 higher at 626.75. On Wednesday, the Dow eased 1.79 to 3,254.25.

There was little stock market reaction to the release of trade data for January, which showed a slightly narrower US merchandise trade deficit of $5.77bn, compared with a *revised $6bn for December.*

Burlington Industries led NYSE trading yesterday morning. The stock was quoted at $14⅛ at midsession after the textile company returned to the public domain with an initial public offering of 44.9m shares priced at $14 each.

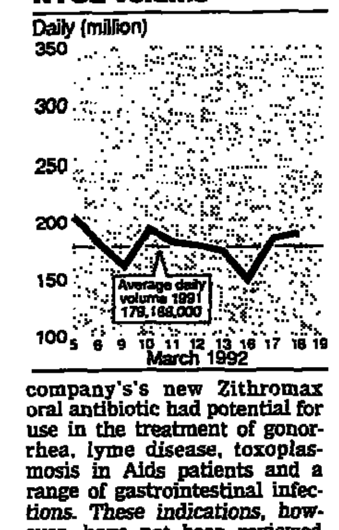
The big three auto makers, which have dominated *the big* board all week, were actively traded again yesterday. Ford Motor firmed $1⅛ to $40⅛, near its 52-week high of $40⅝. Ford expects to turn in a first quarter profit after turning in five consecutive quarterly losses. Chrysler added $⅛ to a new high of $18¼ and General Motors rose $⅝ to $38¾.

IBM slid $½ to $87 in heavy volume after Soundview Financial cut its first quarter earnings estimates to 25 cents a share from the previous 90 *cents. Soundview also reduced* its 1992 earnings forecast to $4.50 from $6.50 a share.

Harley-Davidson, the last of the big US motorcycle makers, climbed $3⅝ to $60 after Morgan Stanley initiated coverage of the company with a "buy" rating.

In the pharmaceutical sector, shares in Pfizer firmed $⅝ to $71½ following an analysts meeting where a professor at Yale University said that the company's's new Zithromax oral antibiotic had potential for use in the treatment of gonorrhea, lyme disease, toxoplasmosis in Aids patients and a range of gastrointestinal infec*tions. These indications, how*ever, have not been reviewed by the Food and Drug Administration which has so far approved the drug to treat respiratory tract infections, uncomplicated skin infections and chlamydia. The drug is the first in a new class of antibiotics which have higher tissue *concentrations than conven*tional treatments such as penicillin.

NYSE volume



Canada

TORONTO stocks traded within a narrow range at midday. Bank shares were firmer, recouping part of the losses suffered earlier this week. The expiration of some options yesterday and today kept traders sidelined. The TSE 300 composite index rose 7.4 to 3,459.3, but the broad market turned *mixed. Declines led advances* by 217 to 198 in volume of 16.0m shares.

Seagram rose C$1 to C$140⅞ after Wednesday's C$6¼ gain. Traders said that an analyst with Oppenheimer & Co had upgraded the company. Among active issues, Transpacific Resources rose ¼ cent to 10.5 cents, Lac Minerals eased C$⅛ to C$7¼, Toronto Dominion Bank gained C$⅜ to C$16⅝ and Inco firmed C$⅝ to C$35¼.

EUROPE

Individual stocks continue to generate interest

ONCE AGAIN, individual stocks generated the most interest yesterday, *writes Our Markets Staff.*

FRANKFURT was still nervous, marking time ahead of today's simultaneous expiry of four major options and futures contracts, but news and com*ment moved some shares.*

In banks, Bayernverein fell DM4.50 to DM421 in response to a *one-for-ten rights* issue at DM350; in chemicals, Schering which dropped another DM13.60 to DM835.50 on the expected official refusal to permit the sale of oral contraceptives in Japan.

In carmakers, further press speculation about US problems for Volkswagen left the shares *DM6.10 lower at DM360.40,* while Porsche's lack of prospects left it DM19 down at DM570. However, BMW ended relatively strong on the day, DM1 higher at DM554.50 on 1991 profits slightly higher than forecast.

After a 3.66 fall to 700.79 in the FAX index at midsession, *the DAX closed 7.55 lower at* 1,724.63. Turnover eased from DM4.3bn to DM4.0bn with Asko, the discount retailer, accounting for DM314m of that as it took third place among the most active stocks.

Asko denied rumours that friends were pushing up the *stock ahead of its planned* rights issue which, it told analysts, will not happen until this *autumn. There were also sug*gestions that a big buyer was around, taking a positive attitude to the company's exceptionally high financial gearing.

PARIS followed domestic bonds lower on a growing consensus that market expectations of lower European interest rates had been premature. The Cac-40 index fell 6.19 to 1,921.99, off a high of 1,935.28, in turnover of FFr2.5bn.

Among bigger stocks, Euro Disney slipped FFr21.0 to FFr161.30 on profit-taking triggered by the leisure stock's anticipated entry into the CAC-40 index. On the way up, LVMH added FFr9 to FFr4,499 after reporting results in line with expectations. Some dealers said the stock was attrac*tive at current levels* in spite of confirmation that Japanese demand for its cognac and luggage has fallen back this year.

FT-SE Eurotrack 100 - Mar 19							
Hourly changes							
Open	10 am	11 am	12 pm	1 pm	2 pm	3 pm	close
1152.77	1153.37	1152.86	1152.45	1152.35	1153.09	1153.53	1153.18
Day's High 1153.97				Day's Low 1151.75			
Mar 18	Mar 17	Mar 16	Mar 13	Mar 12			
1153.82	1151.88	1145.61	1154.40	1149.99			

Base value 1000 (26/10/90).

Smaller stocks were active, with Esso France jumping FFr22 or 3.1 per cent to FFr730 after Wednesday's doubling of the dividend. Volume in Moulinex was bloated by a large *put-through of 113,000 shares* by UBS for its own account. The stock eased FFr2.10 to FFr182.90 in total volume of 131,000 shares.

MILAN continued to rise, but volume remained thin ahead of the batch of 1991 results over the next few weeks and the general election in April. The Comit index rose 4.25 to 514.34 in turnover estimated at L85bn after L87.1bn.

Consob suspended the ordinary and savings shares of the state-controlled holding company Sifa pending details of the group's role in enabling a stock market listing for its parent company, Finmeccanica.

Among *industrials,* Fiat closed L67 higher at L4,913 and Pirelli L32 higher at L1,229. Saipem, *the oil industry ser*vices company seen as a turnround situation, was steady at L1,640 ahead of an analysts' meeting today.

AMSTERDAM's sheaf of results did little to excite general interest and the CBS Tendency Index rose only 0.4 to 126.0.

Hoogovens *slipped after the* steel group said it was to omit its dividend, but the stock recovered to close up 70 cents at Fl 52.30. Analysts said that the extraordinary charges it had taken to reorganise parts of its operations were lower than feared.

Volmac, the software group, advanced 6.5 per cent following better-than-expected results, closing up Fl 1.90 to Fl 30.90, while Boskalis, the world's largest dredging company, firmed 20 cents to Fl 28.10 on a 52 per cent rise in *net profits.*

Nedlloyd lost Fl 3.9 or 6 per cent to Fl 59.40 after two of its creditors, *ABN and ING, said* on Wednesday that they would be converting loans into *shares. Heineken set yet* another record high, closing up Fl 3.7 or nearly 2 per cent to Fl 190.50. Analysts said that buy recommendations from the US and UK have helped to stimulate activity. Elsevier declined Fl 1.70 to Fl 116.0 ahead of today's results.

ZURICH saw active buying in Brown Boveri as the SPI index rose 6.9 to 1,140. Brown Boveri bearers rose SFr120 to *SFr3,760;* the company owns half of the Swedish-Swiss ABB, whose annual press conference pleased markets on Wednesday.

STOCKHOLM registered record volume of SKr1.73bn as the *Affärsvärlden* General index rose 5.2 to 1,007.7.

Asea B rose SKr11 to SKr350 on its share in ABB's fortunes, while SKr560m worth of Sandvik A were traded at SKr410 each. Dealers believed that the 1.3m A shares, 2.5 per cent of the equity and over 3 per cent *of the votes,* were sold by Custos to Skanska.

BRUSSELS fell slightly: the Bel-20 index closing down 3.52 to 1,204.54.

Banque Bruxelles Lambert closed down BFr70 francs to BFr3,350 following its announcement on Wednesday that it was going to involve all its insurer shareholders in its planned development of a banking-insurance network.

SOUTH AFRICA

SHARP gains in the financial rand sent Johannesburg share prices lower. The all-share index closed 35 down at 3,539 and the industrial index lost 44 to 4,403. Weak, bullion prices pushed the *gold index* down 42 to 1,125.

ASIA PACIFIC

Hopes of discount rate cut push Nikkei above 20,000

Tokyo

REVIVED HOPES of a cut in the official discount rate prompted a surge in the futures market, and the Nikkei average recovered the psychologically important 20,000 level for the first time in four trading days, *writes Emiko Terazono in Tokyo.*

The 225-issue average regained 420.78 to 20,185.09 after a day's low of 19,732.84 and high of *20,213.95. Volume* rose to 550m shares from 400m on cross-trading and bargain *hunting by foreign and domes*tic investors.

Advances outnumbered declines by 880 to 155, with 101 issues unchanged. The Topix index of all first section stocks strengthened 43.36 to 1,451.14. Yesterday's recovery after a losing streak which had lasted 13 days relieved traders. In London, the ISE/Nikkei 50 index put on 5.71 to 1,131.50.

Market participants were encouraged by news that the Japanese government would announce emergency measures *to stimulate* the economy by March 27.

Speculation that the official discount rate might be reduced early next week also prompted short-covering ahead of the long weekend. The market is closed today for a national holiday. Mr Tsutomu Hata, the finance minister, said that an easing in monetary policy could be implemented before the new fiscal year.

Window dressing for tokkin – specified money trusts – and fund trusts, which close their books today, also pushed up the Nikkei index. Mr Kaoru Shimura, head of Sumitomo Life's securities investment division, said more window-dressing buying could push the index up to 22,000 next week.

Leading large-capital issues advanced on bargain hunting. Nippon Steel, which fell below Y300 on Wednesday for the first time since 1986, rebounded Y14 to Y310 and Mitsubishi Heavy Industries moved forward Y14 to Y584. Nippon Telegraph and Telephone, regarded as an indicator of market sentiment, improved Y21,000 to Y663,000.

Hopes of lower interest rates pushed up electric power companies, with Tokyo Electric Power rising Y190 to Y2,960. Financial issues were also sought, and Industrial Bank of Japan climbed Y80 to Y2,390 and Fuji Bank added Y70 at Y2,000.

Brokerage houses rose on bargain hunting. *The issues* have been heavily sold recently due to concern about earnings. Nomura Securities added Y70 at Y1,190 and Yamaichi Securities advanced Y58 to Y580.

However, Yamatane Securities, a second-tier broker, dropped Y55 to Y540. The company will post extraordinary losses due to its involvement in the tobashi scandals, which involved improving some clients' accounts by transferring loss-making investments to other clients. Investors were also discouraged by the resignation of the firm's chairman.

In Osaka, the OSE average jumped 636.70 to 21,551.07 in volume of 542.8m shares.

Roundup

HONG KONG further retreated from last Friday's record high as yesterday's rally in Tokyo generally failed to encourage other *Pacific Rim* markets. Bombay was closed.

Rumours in HONG KONG, *later denied, that banks were* planning to cut the limit on mortgage lending accompanied a fall in the Hang Seng index to below the 5,000 level. It closed above the day's worst but still a net 45.48 down at 4,990.59 in turnover of HK$3.9bn (HK$3.4bn).

The property sector was depressed by the mortgage rumours, Henderson Land shedding 50 cents to HK$16.20 and Hong Kong Land 20 cents to HK$10.50.

The banks remained active, with *HSBC Holdings falling a* further HK$2.25 to HK$40.25 as investors continued to switch into other banking stocks. Bank of East Asia gained 70 cents to HK$22.70.

AUSTRALIA closed ahead for the first time this week, the All Ordinaries index firming 3.4 to 1,571.4 in turnover of A$167.4m. Bank and retail sectors were well supported, Westpac rising 4 cents to A$3.83 and *Coles Myer* 16 cents to A$11.16.

BHP gained 12 cents to A$13.26, but Western Mining *fell 12 cents to A$4.73,* partly due to a strike at one of its operations.

KUALA LUMPUR was pulled lower by Telecom Malaysia, off 20 cents at M$11.40. The composite index dipped 2.44 to 597.96 in volume of 31m shares (34m). Gaming group Tanjong continued its strong run, adding 20 cents at M$11.00.

SINGAPORE declined amid selected selling of blue chips. The Straits Times Industrial index lost 5.45 to 1,436.39 in volume of 24.7m shares (24.2m).

SEOUL had an early rise reversed and ended 1.69 down at 612.67 in turnover of Won314.8bn. Analysts said the market was likely to remain fairly static until after the elections on March 24.

BANGKOK rose modestly, the SET index firming 3.29 to 811.78 in turnover of Bt6.9bn.

TAIWAN remained weak in nervous trading ahead of today's National Assembly ses*sion on democratic reform.* The weighted index fell 41.72 to 4,810.23 in turnover of T$19.7bn, against T$24.4bn.

MANILA moved slightly ahead as activity remained low. The composite index rose 3.80 to 1,105.07 in turnover of 140.3m pesos. Philippine National Bank put on 2.50 pesos to 262.50, but Philippine Long Distance Telephone, which fell in overnight trading in the US, shed 5 pesos to 865.

NEW ZEALAND lost ground for the third consecutive day, *the NZSE-40 index slipping 9.47* to 1,439.19 in turnover of some NZ$10m. Telecom declined 3 cents to NZ$2.31.

Spain bucks easier European trend

Antonia Sharpe reviews turnover on continental bourses in February

Turnover on European bourses, with the exception of Spain, eased back last month after a strong January but was still above levels seen in the last two months of 1991.

Mr James Cornish, who compiles the data for County NatWest, *says the easier trend has* continued into March on most European markets, as investors wait for prices to come back before making further purchases. "It is more of a pause than a sell-off," he says. For example, turnover in Germany has tailed off ever since the market peaked in early March.

Looking at the February data, Germany showed the *most resilience, down only 6* per cent on the month and up 29.8 per cent on the average for the November-January period. German volume fell back in the middle of February as the market moved sideways but picked up again towards the end of the month as domestic and foreign buying resumed.

French turnover dropped 17.7 per cent last month, the second worst fall after the UK, and was 1.6 per cent below the three-month average. Volume improved late in February as the index *rose sharply,* but it has since fallen back in March, partly as a result of school holidays.

EUROPEAN EQUITIES TURNOVER Monthly total in local currencies (bn)					
Bourse	Nov 1991	Dec 1991	Jan 1992	Feb 1992	US $bn
Belgium	39.40	32.30	55.85	46.72	1.39
France	102.02	111.08	141.18	116.18	20.87
Germany	91.47	66.00	134.30	126.20	77.05
Italy	7,105.40	6,342.00	9,665.20	8,948.80	7.28
Netherlands	11.97	9.81	16.10	14.10	7.65
Spain	529.26	671.36	637.26	667.83	6.47
Switzerland	10.50	7.70	13.20	10.90	7.34
UK	29.36	26.44	36.40	29.61	52.09

Volumes represent purchases and sales.
Italian data adjusted to include off-market trading. Some figures may be revised.
Source. County NatWest WoodMac.

Spain saw turnover increase by 4.8 per cent in February as foreign investors bought blue chips in anticipation of lower interest rates – the central bank duly obliged the market *towards the end of the month* – and on optimism about inflation and the economy.

Turnover remained buoyant during the first two weeks of March, but has since declined *on news of worse than expec*ted inflation data for February. Daily turnover has contracted to Pta10bn from between Pta16bn to Pta24bn.

Mr Stephen Hughes of Nikko Securities says the disappointing inflation numbers have put back any chance of a further fall in interest rates by at least *two months. However, some* domestic analysts are still confident that another cut will occur in April.

"There is nothing to drive the market in the short term apart from international events," adds Mr Hughes. The *company reporting season is* over for now and there are few developments on the corporate scene to revive turnover. Looking further ahead, however, the government's plans to reduce its stake in the oil producing and refining group Repsol from 66.5 per cent to 50 per cent, and the likelihood of a 1½ per cent cut in the central bank's intervention rate to 11 per cent, should renew inter*est in Spanish equities later* this year.

The UK showed the biggest drop in volume terms in February, losing 18.7 per cent on the month and down 3.7 per cent on the three-month average, as general election uncertainties mounted.

Another casualty last month was Switzerland, which fell 17.4 per cent as hopes of lower interest rates came to nothing. *A weak Swiss franc has also* weighed on equities.

FT-ACTUARIES WORLD INDICES

Jointly compiled by The Financial Times Limited, Goldman, Sachs & Co., and County NatWest/Wood
Mackenzie in conjunction with the Institute of Actuaries and the Faculty of Actuaries

NATIONAL AND REGIONAL MARKETS	WEDNESDAY MARCH 18 1992								TUESDAY MARCH 17 1992					DOLLAR INDEX		
Figures in parentheses show number of lines of stock	US Dollar Index	Day's Change %	Pound Sterling Index	Yen Index	DM Index	Local Currency Index	Local % chg on day	Gross Div Yield	US Dollar Index	Pound Sterling Index	Yen Index	DM Index	Local Currency Index	1991/92 High	1991/92 Low	Year ago (approx)
Australia (69)	142.07	+0.0	121.57	118.63	121.80	124.21	−0.6	4.45	142.12	121.69	119.83	122.07	124.96	160.31	112.74	132.44
Austria (20)	175.56	+0.6	150.24	146.60	150.51	150.79	+0.7	1.91	174.48	149.40	147.19	149.86	149.81	222.37	153.86	197.88
Belgium (48)	140.18	+0.4	119.96	117.05	120.18	117.54	+0.3	5.05	139.57	119.50	117.73	119.87	117.20	151.20	118.04	140.18
Canada (115)	129.76	+0.8	111.05	108.35	111.24	112.10	+0.4	3.31	128.76	110.25	108.61	110.56	111.61	144.28	126.49	137.63
Denmark (36)	237.03	+0.5	202.84	197.93	203.21	206.57	+0.3	1.78	235.96	202.04	199.05	202.66	205.87	273.94	217.74	247.97
Finland (15)	79.63	+1.0	68.14	66.49	68.26	75.31	+1.0	2.09	78.82	67.49	66.49	67.70	74.59	125.15	73.32	116.17
France (108)	152.56	−0.3	130.55	127.38	130.78	134.01	−0.5	3.31	152.98	130.99	129.04	131.38	134.68	156.43	119.11	137.41
Germany (65)	119.01	+0.5	101.84	99.39	102.02	102.02	+0.3	2.24	118.43	101.41	99.92	101.71	101.71	125.35	94.15	110.68
Hong Kong (55)	209.31	−0.2	179.12	174.78	179.46	208.00	−0.3	3.76	209.76	179.61	176.94	180.17	208.54	210.88	119.62	149.69
Ireland (18)	158.18	−0.6	135.36	132.09	135.61	138.01	−0.6	3.70	159.08	136.21	134.19	136.63	138.83	182.46	132.88	168.71
Italy (77)	71.62	+1.9	61.29	59.80	61.40	66.32	+1.7	3.50	70.27	60.17	59.28	60.35	65.19	88.23	64.76	81.27
Japan (473)	104.90	−0.8	89.77	87.60	89.95	87.60	−1.8	0.97	105.70	90.51	89.16	90.79	89.16	146.97	104.90	139.32
Malaysia (68)	239.68	+0.3	205.11	200.13	205.47	240.19	+0.6	2.61	239.08	204.71	201.67	205.33	238.71	250.18	189.18	232.47
Mexico (18)	1648.72	+2.1	1410.89	1376.72	1413.46	5519.17	+2.1	1.02	1615.37	1383.16	1362.66	1387.40	5405.35	1769.77	534.45	705.10
Netherland (31)	150.74	+0.2	128.99	125.87	129.23	127.72	+0.0	4.33	150.38	128.76	126.85	129.16	127.66	156.48	125.70	136.64
New Zealand (14)	45.20	−0.1	38.68	37.75	38.75	43.75	−0.5	6.28	45.25	38.74	38.17	38.86	43.97	54.64	41.18	44.77
Norway (24)	172.14	+2.5	147.31	143.75	147.58	151.35	+2.4	1.69	167.92	143.78	141.65	144.23	147.81	223.24	157.08	199.31
Singapore (38)	207.26	−1.0	177.36	173.07	177.68	157.89	−0.6	2.18	209.36	179.27	176.61	179.81	158.57	228.43	151.63	192.69
South Africa (61)	219.15	+7.8	187.54	182.99	187.88	178.57	+1.5	2.82	203.32	174.09	171.51	174.62	176.01	271.99	173.00	200.06
Spain (51)	153.27	−0.4	131.16	127.99	131.40	121.28	−0.4	4.96	153.95	131.82	129.87	132.22	121.76	171.12	131.51	163.32
Sweden (25)	188.30	+2.1	161.14	157.24	161.44	166.77	+1.9	2.73	184.48	157.96	155.62	158.45	163.59	204.12	146.80	190.08
Switzerland (59)	99.16	+0.6	84.86	82.81	85.03	91.79	+0.4	2.18	98.59	84.42	83.17	84.69	91.41	104.22	82.17	91.04
United Kingdom (233)	170.76	−1.0	146.13	142.58	146.38	146.13	−1.0	5.10	172.43	147.65	145.44	148.08	147.65	187.44	156.27	175.19
USA (523)	167.20	−0.1	143.08	139.62	143.35	167.20	−0.1	2.93	167.35	143.30	141.18	143.74	167.35	171.68	125.95	149.11
Europe (808)	142.20	−0.2	121.69	118.74	121.91	122.50	−0.3	3.97	142.44	121.96	120.16	122.34	122.85	151.52	125.50	140.65
Nordic (100)	176.13	+1.4	150.72	147.08	151.00	149.34	+1.3	2.18	173.74	148.76	146.56	149.22	147.49	200.81	158.55	185.50
Pacific Basin (717)	109.69	−0.7	93.87	91.59	94.04	92.24	−1.6	1.35	110.43	94.56	93.16	94.85	93.71	145.92	109.69	139.01
Euro–Pacific (1525)	122.92	−0.4	105.19	102.64	105.38	104.89	−1.0	2.58	123.47	105.72	104.15	106.04	105.92	147.66	121.29	140.03
North America (638)	164.84	−0.1	141.06	137.66	141.34	163.45	−0.1	2.94	164.92	141.22	139.14	141.67	163.56	169.69	125.91	148.31
Europe Ex. UK (575)	124.35	+0.4	106.41	103.85	106.63	108.51	+0.2	3.18	123.86	106.08	104.50	106.40	108.26	129.80	103.58	119.72
Pacific Ex. Japan (244)	156.91	−0.2	134.27	131.04	134.53	139.89	−0.3	3.85	157.14	134.55	132.58	134.98	140.33	158.16	111.40	134.45
World Ex. US (1719)	125.20	−0.2	107.14	104.56	107.34	107.22	−0.9	2.57	125.48	107.44	105.85	107.77	108.14	148.16	122.32	140.87
World Ex. UK (2009)	135.34	−0.1	115.82	113.02	116.04	123.63	−0.5	2.44	135.44	115.97	114.26	116.34	124.24	150.58	120.06	139.39
World Ex. So. Af. (2181)	137.91	−0.3	118.02	115.17	118.25	125.28	−0.6	2.71	138.27	118.40	116.65	118.77	125.99	153.05	122.92	142.22
World Ex. Japan (1769)	157.39	+0.0	134.69	131.44	134.95	147.87	−0.1	3.33	157.33	134.71	132.73	135.14	147.84	161.90	126.89	145.66
The World Index (2242)	138.42	−0.2	118.46	115.59	118.68	125.76	−0.5	2.72	138.66	118.72	116.97	119.10	126.45	153.70	123.28	142.57

Latest prices were unavailable for this edition.

FT LAW REPORTS

Compensation will be amended

THE LAW DEBENTURE TRUST CORPORATION v THE URAL CASPIAN OIL CORPORATION LTD AND OTHERS
Chancery Division:
Mr Justice Hoffmann:
March 9 1992

A TRUSTEE for ex-shareholders with rights to foreign compensation for confiscation of company assets, has no contractual cause of action *against a person to whom the* company transfers those rights in breach of agreement with the trustee, nor against a subsequent transferee, if the transferees acquired the rights with knowledge of the agreement but were not party to it.

And as the second transfer deprives the trustee of the remedy of retransfer as against the first transferee to undo the consequences of the tort of interference with *contractual relations,* he may have a cause of action in tort as against the second transferee for interference with the remedies arising out of a broken contract, which would enable him to seek a court order for retransfer to the first transferee and then to the company.

Mr Justice Hoffmann so held when striking out parts of the statement of claim and giving leave to amend it in an action by Law Debenture Trust Corporation against Ural Caspian Oil Corporation Ltd, North Caucasian Oil Fields Ltd, New *Schibaieff Petroleum Co Ltd,* Grozny-Sundja Oil Fields Ltd ("the Russian companies"), Hilldon Ltd and Caspian Resources Ltd.

HIS LORDSHIP said the Russian companies were English-registered companies which carried on business in Russia before the revolution. The Soviets confiscated their assets and for many years rejected their claims for compensation.

In April 1986, Leisure made an offer for the entire issued share capitals of the Russian companies. The controlling shareholder in each company was *Shell Petroleum.* It agreed to accept the offer on condition that Leisure and the companies entered into covenants to apply any compensation for the benefit of existing shareholders.

By four agreements dated May 2 1986 each of the Russian companies and Leisure entered into covenants with Law Debenture Trust as trustee for the shareholders. Each company covenanted to pursue its compensation claim, and to pay any compensation it received to the trustee.

In each agreement, Leisure covenanted to procure that the company would perform its covenants, and not to part with control of the company unless the transferee entered into similar covenants.

After execution of the agreements, *Shell* and certain other shareholders transferred their shares to Leisure.

On December 15 1989, the Russian companies were paid £7.2m compensation. Shortly before payment, Leisure agreed to sell its entire shareholding to Hilldon, an Isle of Man company. In breach of covenant, it imposed no requirement that Hilldon should covenant with the trustee, and Hilldon did not do so.

On March 5 1990, the shares were transferred to Hilldon. A *further £6m* compensation was paid on June 4. In October, Hilldon transferred the shares to Caspian.

The Russian companies refused to pay the compensation to the trustee. It commenced proceedings against the companies, and against Hilldon and Caspian.

The *statement of claim* alleged against Hilldon that by accepting the shares knowing the terms of the agreements, it procured Leisure to breach of covenant. Hilldon admitted the allegation disclosed a cause of action in tort.

However, it was further alleged that Hilldon and *Caspian,* knowing of the agreement, each came under a contractual "implied collateral obligation" *to the trustee to* perform similar covenants.

Hilldon and Caspian applied under RSC Order 18 rule 19, to have the claims in contract struck out.

Neither of them was party to a contract with the trustee. Nor were there any grounds for implying a collateral contract. Part of the statement of claim was liable to be struck out as against Hilldon, and the whole as against Caspian.

Mr Crystal for the trustee applied for leave to amend the statement of claim.

A proposed new paragraph said that because Hilldon took the shares with knowledge of the agreements and their breach by Leisure, it also took the burden of those covenants and came under an obligation to perform them. Similar allegations were made against Caspian.

Mr Crystal submitted that the obligation to perform the covenants arose either under the principle of *De Mattos v Gibson (1958) 4 De G&J 276, 282,* or under a developing principle relating to benefits and burdens.

The *De Mattos* principle was that as a general rule, where a person acquired property with knowledge of a previous contract to use the property in a specified manner, he should not use *it* in a manner not allowable to the giver or seller.

The principle permitted no *more than the grant of a nega*tive injunction.

In *Lumley v Wagner (1852) 1 De GM&G 618* the defendant was restrained from singing at Covent Garden and Mr Gye was injuncted from employing her there, but she was not ordered to sing at Her Majesty's Theatre and he was not ordered to procure that she did so.

There was not a single case *in which the De Mattos princi*ple had been used to impose a positive duty to perform the covenants of a predecessor.

In the alternative, the trustee relied on the principle that he who took the benefit of a transaction must also take the burden.

The "pure principle" of bene*fit* and burden was that the right and burden, although arising under the same instrument, were *independent of* each other: "X grants a right to Y and by the same instrument Y independently covenants with X to do some act" (*Tito v Wadell (No 2)(1977) Ch 106*).

In the present case, the right and burden did not arise under the same instrument. The shares were transferred to Lei*sure from registered sharehold*ers, while the covenant was made by Leisure with the *trustee for all shareholders.*

A covenantee's right to enforce his covenant against an assignee depended on the circumstances of a transaction to which he was not a party (see *Tito*). One must be able to infer from that transaction that the assignee was intended to assume the burden. No such inference could be drawn here. On the contrary, the trustee asserted that the whole object of the transaction was to ensure that Hilldon and Caspian would not be subject to the burden of the agreements.

Finally, the trustee claimed extension of relief for the tort of inducing breach of contract.

In *Esso Petroleum [1974] 1 QB 142* an order was made to undo the consequences of a tort which could have been restrained before it was committed.

Under that authority, the court could have ordered Hilldon to retransfer the shares to Leisure for it to procure performance by the Russian companies. An order was no longer possible because Hilldon had transferred the shares to Caspian.

The trustee therefore asked for orders against Caspian to retransfer the shares to Hilldon, and against Hilldon to retransfer them to Leisure.

For an injunctive order against Caspian, the trustee must demonstrate a cause of action. It had no cause of action in contract. The question was whether it had a cause of action in tort.

Caspian was not alleged to have played any part in inducing Leisure to break its covenant as to disposal of the shares. The effect of the transfer to Caspian was not to interfere with contractual relations, but to deprive the trustee of the *Esso* remedy of retransfer which *it* would have had for inducement of the earlier breach by Hilldon.

That raised the question of whether the *Lumley* principle could be extended beyond interference with contractual relations to interference with the remedies arising out of a broken contract.

There was no authority for such liability, but on an application under RSC Order 18, rule 19 *it could not be said that* that an affirmative answer could not be given.

Such a claim should not be struck out but should be argued at trial when the relevant facts had been established.

As against Hilldon the claims in contract were struck out. As against Caspian, the whole statement of claim was struck out but the action was not dismissed. Leave was given to serve an amended statement of claim against all parties, *though not in the form for* which leave had been sought. Counsel would reconsider the draft *in the light of the judg*ment.

For the trustee: Michael Crystal QC and John Higham (Linklaters & Paines).

For Hilldon: Robert Kirk (Jerrard Saunders Donn).

For Caspian: Robin Potts QC and Richard Snowden (Hill Taylor Dickinson).

In Davy Offshore v Emerald, FT March 16, leading counsel for Emerald was VV Veeder QC.

Rachel Davies
Barrister

RECRUITMENT

JOBS: Survey shows UK third to Ireland and Portugal in league for four-wheeled perks

How Europe's bosses fare for company cars

IF Daniel Goeudevert happens to be reading today, the Jobs column hopes he'll realise it has nothing personal against him. Even more so, it hopes he will *accept that* it has no bias in favour of Ferdinand Piech. The survey whose findings are about to be reported was made independently by a highly reputed organisation: the management consultancy arm of the worldwide Wyatt company.

Before describing the findings, however, I'd better tell anyone else who may be reading the reasons for all the above pussy-footing. They are threefold.

- The Volkswagen group's management-board chairman Carl Hahn is due to retire, and the two gentlemen aforementioned are believed to be running wheel-to-wheel for the succession, which is expected to be decided on April 10.
- The part of the group currently headed by Daniel Goeudevert is the VW marque, whereas Ferdinand Piech is responsible for Audi.
- The survey in question focuses on the provision of company cars in 17 countries in Europe. It shows that Audi's 100 series of models continues to lead the European popularity league for management chariots — as it has done since at *least 1988* — with the VW marque relatively nowhere.

Even so, let's leave leadership contests aside for the moment and consider the survey, which Wyatt carries out every two years from its office in Brussels. The 1991-92 version is based on data from some 1,700 employers. The biggest national sample was Belgium's 277, and the smallest Finland's 53, the United Kingdom having 147.

To anyone like the Jobs column — who having no company car, has only an onlooker's interest in same — the information in the study seems almost stupefyingly detailed. It includes, for instance, the proportions of companies in each land providing different sorts of staff with a variety of optional extras (given Britain's weather, its employers appear unduly generous if not lavish with sunroofs).

But readers curious about such refinements will need to obtain the full report, priced £510, from Don McClume of Wyatt UK at 21 Tothill St, London SW1H 9LL; telephone 071-222 8033, fax 071-222 9182. My extracts are far more limited, the first being the table alongside.

It shows the percentages of chief executives, various types of other directors, and two kinds of middle managers who enjoy a company car in each of the 17 countries. The ranking is based on the average provision across the whole lot, and by that measure the UK has fallen to third place from top in 1989-90.

Whether its overall leadership will be restored by the latest budget in combination with the result of the impending election, we can only wait and see. But despite the increased taxation of recent years, Britain remains well ahead in one category. It is shown in the last column of the table: the award of four-wheeled perks to middle managers other than those in sales and marketing where a car is far more often a necessity of the job.

PERCENTAGES OF DIRECTORS AND MANAGERS RECEIVING A COMPANY CAR

	Chief execs	Mar-keting	Sales	Fin-ance	Mate-rials	Per-sonnel	Prod-uction	Engin-eering	Res-earch	D-P	Middle mgt: Sales	Middle mgt: Other
Ireland	94	94	95	91	100	100	100	100	–	100	82	45
Portugal	97	98	99	97	100	94	93	97	93	96	82	43
UK	97	99	94	97	88	95	92	94	100	87	74	66
Sweden	93	89	95	92	100	96	78	92	75	100	80	43
Finland	98	94	93	89	78	100	59	86	100	88	74	36
Germany	98	94	96	86	82	84	93	74	85	83	76	43
Belgium	100	94	92	85	78	84	84	88	84	80	70	42
Denmark	98	95	98	83	–	100	60	88	75	91	76	32
Netherlands	95	96	91	81	81	79	78	74	83	67	73	37
Greece	89	93	84	68	100	88	80	55	80	50	67	38
Italy	100	90	91	80	70	82	65	71	59	74	76	28
Austria	100	83	95	92	82	81	75	73	44	–	58	18
France	89	91	82	74	70	70	82	70	63	51	68	18
Norway	94	94	80	78	57	60	–	76	–	38	63	26
Luxembourg	97	86	90	77	60	67	73	57	71	40	50	14
Spain	93	81	73	69	58	72	70	48	46	54	55	24
Switzerland	80	69	71	55	43	50	41	53	46	47	47	25

Figures include allowances in lieu of cars in minority of cases

Unlike the table's figures, the popularity ranking of types of car does not appear in the survey. I compile it from the companies' listings of their preferred models, giving four points to the type most often named, two to the second *most frequent, and one to the third.* Where each type stands in the league depends on the percentage of the total points it scores.

In doing so, however, I take no account of detailed variants. My focus is solely on series such as Audi 100s, all of which are lumped together regardless of variances in engine, plushiness of trimmings and the like. In all, 50 series were mentioned in the latest survey compared with 61 two years before.

To start at the top, the five most popular chief executives' cars were:

Make & series of car	*% of points*
BMW 5	19.3
Audi 100	15.1
Volvo 700	8.4
Mercedes 200	7.5
Saab 9000	7.5

Moving down a notch to other directors, we find the top five were:

Audi 100	12.5
Ford Scorpio/Granada	10.4
BMW 5	8.5
Renault 25	7.8
Opel Omega	7.5

The middle managers' list was:

Peugeot 405	9.2
Audi 100	8.0
Ford Sierra	8.0
Renault 21	7.1
Opel Vectra	6.7

(Opel Omegas and Vectras are equivalent to Vauxhall Carltons and Cavaliers.)

For all management levels taken together, the top 10 were:

Audi 100	11.9
Ford Scorpio/Granada	9.3
BMW 5	8.2
Renault 25	6.8
Opel Omega	6.2
Volvo 700	5.3
Mercedes 200	4.5
Peugeot 405	4.1
Renault 21	3.4
Ford Sierra	3.2

Alas for Daniel Goeudevert, Volkswagen's best series was the Passat, ranked 29th with 0.7 per cent of the available points.

Michael Dixon

FOREIGN EXCHANGE OPTIONS SALES

EXCELLENT PACKAGE

Our London Branch will open shortly a new Foreign Exchange Options Sales function creating an exciting opportunity for experienced Options Salespersons to be instrumental in establishing this function for a Global Book. The successful candidates will join a highly-motivated Corporate Treasury Services Team, marketing foreign exchange and interest rate products to our UK and European client base.

We seek dynamic candidates of 3 to 4 years experience in Foreign Exchange Options Sales with a quality City house. Preferably a graduate, you will combine experience in articulate presentations with proven marketing, communication and negotiation skills. You will also have a good knowledge of the accounting procedures regarding Foreign Exchange Options.

An excellent remuneration package including the full range of banking benefits is offered to the successful candidates. Applications in writing with full Curriculum Vitae should be mailed to Martin J. Lucas, Credit Suisse, at 24 Bishopsgate, London EC2N 4BQ.

CREDIT SUISSE
CS

AUSTRALIAN BOND SALES

Swiss Bank Corporation is a major International Bank, offering a wide range of high quality investment products to clients through its global network, which includes our Australian subsidiary SBC Dominguez Barry Investments Limited.

Continued growth has created a new opportunity within our London Office and this position is expected to contribute to further expansion in our fixed income business.

Ideally a graduate, aged 25-35, you will have at least three years experience in Euro-Australian Bond Sales. With an established client base of primary and secondary market investors in Euro-Australian fixed interest securities, you will work closely with the bank's established bond sales team to develop primary and secondary market trading and distribution.

An in-depth knowledge of the domestic market together with experience of the Euro-exchangeable and Global Australian dollar market would be an advantage. Preference will be given to individuals who also have knowledge of interest rate and currency related swap transactions.

This position offers excellent scope for further career progression together with a highly competitive remuneration package.

Please write with full career details to:

Steven Ward,
Human Resources,
Swiss Bank Corporation,
Swiss Bank House,
1 High Timber Street,
London EC4V 3SB.

Swiss Bank Corporation
Schweizerischer Bankverein
Société de Banque Suisse

SALES EXECUTIVE

HIGH LEVEL REWARDS

As one of the most successful management consultant companies in the world we have provided our services to major corporations in twenty five countries and on five continents since our founding in 1946.

If you are currently earning a sizeable income but want more... substantially more then perhaps we should meet. Our continued growth requires that we add a business development professional to our highly regarded consulting team.

We are seeking an individual who has the ability to negotiate and close at the highest levels within corporations. Your broad and extensive business experiences would make it possible for you to discuss and relate comfortably with some of the most accomplished business leaders of major service and manufacturing corporations on the subjects of productivity and profit improvement.

Your professional profile must include proven success at chief executive/managing director level with full profit and loss responsibilities. A university degree or equivalent is required. In age you will probably be between 45-50 but suitable candidates outside this range would be considered.

Relocation is not necessary.

In view of the skills required we are willing to compensate the person accordingly.
Local interviews will be arranged.

Please send your c.v. in English together with a photograph to Mrs Leilan Van den Branden, noting your recent remuneration and a telephone number where we can contact you to arrange interviews.

All correspondence will be dealt with in the strictest confidence.

Alexander Proudfoot Productivity Management Europe s.a.
Manhattan Tower
Avenue du Boulevard 21 box 26
1210 Brussels
Belgium

Reference. UK/S/FT/18/3/92

ALEXANDER PROUDFOOT
THE POWER OF PRODUCTIVITY.

OPERATIONS MANAGER OIL TRADING

Small, privately owned oil trading company based in London SW1, require experienced Operations Manager. Physical oil/ product shipments carried out worldwide so relevant experience needed in oil operations, chartering, contracts, letters of credit etc. Experience of U.S. domestic markets also beneficial but not required. Apply in first instance to: 0732 882720 or fax C.V. to: 0732 885741. Salary upon application.

FIXED INTEREST FUND MANAGER

Join one of the UK's largest investors.

£attractive + bonus + benefits.

One of the largest and most influential investors in the UK, Prudential Portfolio Managers has over £45 billion of funds under management around the world, more than a quarter of which is fixed interest.

Our London-based global bonds team now seeks a fixed interest manager to contribute to the development of investment policy, its implementation into client portfolios and its execution in the markets. Reporting to the European Bonds Specialist, you will cover UK gilts as well as the continental markets.

You should have around two years' experience in fixed interest management, backed by strong academic credentials, good communication skills and an enthusiastic approach. *We will also* consider applications from exceptional candidates with a background in finance/economics, but who lack direct fixed interest experience. Such candidates, probably in their mid-twenties, must be able to demonstrate outstanding achievement and potential.

We offer a competitive salary plus individually focussed bonus and financial sector benefits including non-contributory pension and low interest mortgage.

Please send your full career details to:
Christina Squier, Personnel Officer,
Prudential Portfolio Managers Ltd.,
1 Stephen Street, London W1P 2AP.
Prudential Portfolio Managers is an Equal Opportunities Employer.

PRUDENTIAL
Prudential Portfolio Managers

Fair, Isaac International, with headquarters in San Rafael, California and offices in Monaco and Wiesbaden, will be opening a new office in the United Kingdom in May 1992. Recognized as the world's leading creator of decision support solutions for the consumer credit industry, Fair, Isaac specializes in services for account acquisition and ongoing account management.

Account Executives – Risk Management

Experienced individuals with a solid knowledge of the consumer lending industry are being sought for positions in sales, marketing, customer service and scorecard development. Ideal candidates will be creative thinkers with a demonstrated ability to solve complex technical problems.

Equally important, we are seeking people with a proven commitment to working with clients to understand their needs and assist them in effectively implementing solutions. You must be willing to travel in the U.K. and internationally. Initial training will take place in both California and the U.K., after which you will be working out of the U.K. office, located near the Birmingham International Airport.

The positions offer career growth and excellent remuneration to the right candidates. Please send your C.V. and salary history to K. Espin at 55 St. James Park Road, Northampton NN5 5DR or fax to M. Weis at 010-1-415-492-9381.

Fair Isaac

Derivative trader trainees entrepreneurial, numerate, self-motivated individuals. Quantitative degrees preferred.
Apply to CNA (UK)
1 College Hill
London EC4R 2RA.

HEAD OF SWAPS MARKETING

c£90,000 + Excellent Package

You will be responsible for the marketing of interest rate swaps products to a global client base.

Based in the London operation of this international bank you will be expected to bring both your management and marketing skills to bear. Minimum of 3 years experience in a senior swaps marketing role is required and language ability would be preferred.

Please contact Nigel Haworth 071-623 1266 or Fax 071-626 5259

Jonathan Wren & Co. Limited, Financial Recruitment Consultants
No. 1 New Street, London EC2M 4TP
Telephone 071-623 1266 Facsimile 071-626 5259

JONATHAN WREN EXECUTIVE

Marketing Director Institutional Asset Management

Julius Baer Investments Ltd., London, is a wholly-owned subsidiary of Baer Holding Ltd., Zurich, specialising in multi-currency asset management for European and Far Eastern institutional clients.

We have an opening in Zurich (or London) for an experienced marketing professional who will concentrate on the institutional client base in Europe. The successful candidate (male or female) will be 30–40 years old and have a proven background in the marketing of related financial products and/or international fund management. The required skills to cultivate client contacts should be complemented by the ability to communicate in at least *three European languages, to include English and German. A high degree of com*puter literacy is essential for product development.

In addition to the salary, there will be bonus potential together with all normal banking benefits.

Please send career and personal details including current remuneration to Bruno Hess, Marketing Institutional Clients, Bank Julius Baer, Zurich, phone: 01/228 51 11/telefax: 01/211 25 60.

JBcoB
BANK JULIUS BÄR

For the Fine Art of Swiss Banking.

Reporters

Bloomberg
BUSINESS NEWS

Financial News Agency **London**

Bloomberg Business News is a 24 hour global news service distributed electronically to media and business subscribers worldwide. Bloomberg stories appear in the New York Times, International Herald Tribune and other major newspapers.

The London office is looking for reporters to join a successful, growing operation. You will be responsible for covering breaking news stories in the UK and European financial market place.

Successful candidates must have previous reporting experience, ideally gained within a news agency.

An understanding of the financial/business market is essential, and experience of the equity, bond, currency or energy markets would be of particular interest. A second European language would be ideal but is not essential.

Salary is negotiable according to experience.

Apply immediately to Paul Chambers on 071-388 3111 during office hours, or send your CV to him by post or fax, quoting ref BBN/R.

FRESHMAN

The Freshman Consultancy Limited,
Euston House, 81-103 Euston Street, London NW1 2ET,
Telephone: 071-388 3111 Facsimile: 071-388 3588

Equity Swaps Sales

The BZW Equity Derivatives Group is an established and successful equity derivatives operation servicing a European client base. We wish to recruit an experienced salesperson to develop our equity swaps and OTC options business.

The preferred candidate will have 3–5 years relevant swaps sales experience and will be interested in applying this to equity index-based swaps and OTCs. The target clients are in France and Germany and candidates should therefore be able to demonstrate a track record of successful client relationships in Europe.

BZW can offer a competitive remuneration package to reflect experience.

To apply please send full career details to Patrick Daley at Barclays de Zoete Wedd, Ebbgate House, 2 Swan Lane, London EC4R 3TS. Fax: 071-956 4726.

BZW

FINANCIAL TIMES EUROPE'S BUSINESS NEWSPAPER
vous faire part d'un accord publicitaire avec
LES ECHOS
le quotidien de l'économie le plus important en France. Une annonce dans la rubrique "Offres d'Emploi Internationales" dans le
FINANCIAL TIMES et *LES ECHOS* augmentera de façon substantielle l'impact de votre message sur les cadres dirigeants en Europe. Chaque semaine les annonces paraîtront dans les Echos le mardi et dans le Financial Times le mercredi (le vendredi dans l'Edition Internationale du Financial Times). Pour de plus amples renseignements, veuillez contacter:
STEPHANIE COX-FREEMAN
071 873 4027

PRIVATE CLIENT STOCKBROKING

Location:	North Oxfordshire
The Company:	A well established member firm owned by a major international institution. The company is City based and has a number of branch offices.
The Position:	Private Client Stockbroker(s) sought to join a small team in a new branch office. Full support and research facilities available to assist active management of client portfolios.
The Candidate:	The successful applicant(s) will have a proven track record and an established client base currently generating gross commissions in excess of £80,000 per annum. The position is likely to appeal to a responsible self starter who feels his/her time is better employed servicing clients than commuting.

Write in strictest confidence, with CV, to Box 7104, Financial Times, One Southwark Bridge, London SE1 9HL.

071-377 6488

EXECUTIVE APPOINTMENTS

SALES

Fixed Income:

Bond Sales to USA (Senior)	£Neg
Bond Sales to Germany	to £90K + Bens
Bond Sales to France	to £75K + Bens
Bond Sales to Switzerland	to £80K + Bens
Bond Sales to Scandinavia	to £80K + Bens
Bond Sales to UK	to £90K + Bens
Senior $ Bond Sales to Europe	£Neg
Central Bank Sales	to £90K + Bens
US Treasury	to £85K + Bens
Bond Sales to Europe (anywhere)	£Neg
Bond Sales to Far/Middle East	£Neg
Bond Sales to UK (Japanese speaker)	£Neg
MTN Sales (Structured placements etc)	£Neg
European Equity Derivative Sales	to £80K + Bens
Canadian Equity Sales	£Neg
European and/or Japanese Equity Sales	£Neg
JGB's Sales	£Neg
Gilt Sales	£Neg
Futures	£Neg

TRADING

Senior Bond Trader (Pesetas, Bunds etc) URGENT (Madrid based)	£Neg
OAT/BITANS	to £75K + Bens
ECU	to £80K + Bens
Eurosterling	£Neg
Eurodollar	£Neg
European Currencies	to £75K + Bens
European Gvts	to £90K + Bens
Repos	£Neg
Gilts	£Neg
Money Markets (Swaps, FRAs, CDs etc)	£Neg
FRNs	£Neg
Swaps/Derivatives	£Neg
OTC ($ and non $)	£Neg
New Issues	£Neg

OTHERS

M&A (European language advantageous)	£Neg
Corporate Finance (various sectors)	£Neg
Structured/Project Finance	£Neg
Analysts (Bonds and/or Equities)	£Neg
Swaps Marketing	to £80K + Bens
FX Spot/Forward Dealers	to £75K + Bens
Corporate FX Dealing	£Neg
Broking (Pesetas, Escudos etc) URGENT (Madrid based)	£Neg
Syndication Debt Market	£Neg
Economists	£Neg

The above are just a selection. For further details please call 071-377 6488 or send/fax your CV to us. All applications will be treated in the strictest confidence. For enquiries outside business hours call 081-364 1833.

CAMBRIDGE APPOINTMENTS
232 Shoreditch High Street, London E1 6PJ. Fax No. 071-377 0887

SENIOR CREDIT ANALYST

First Austrian International Limited, the London subsidiary of First Austrian Bank (DIE ERSTE Österreichische Spar-Casse - Bank), are seeking a top quality Credit Analyst to cover the banking and corporate sectors internationally.

This is an important, high profile position and an excellent opportunity for a responsible person. Applicants should have first class credit analysis training and a lively, enquiring outlook, and at least four years relevant experience.

Remuneration is negotiable and will reflect the calibre and performance expected of the successful candidate.

Please apply, enclosing a full CV to:

FIRST AUSTRIAN INTERNATIONAL LIMITED
Attn: Steve Marston
Eldon House
2 Eldon Street
London EC2M 7BX

First Austrian International Limited

RIYAD BANK
Saudi Arabia

Riyad Bank, one of the most prominent banks in the Middle East is offering outstanding professional opportunities to qualified bankers for following positions:

CORPORATE MARKETING OFFICERS

Candidates must have a solid professional background with a minimum of 5 years' experience in Corporate Banking and Customer Relations. The successful candidates will solicit, develop and sustain customer relationships with major corporate, private and government enterprises throughout the Kingdom, and will be responsible for all aspects of the customer's relationships with the Bank. The positions also require a good College or University degree.

Following perquisite compensation package will be offered:

* Highly competitive tax free basic salary.
* *Furnished housing in a Western style compound.*
* Automobile for business and personal use.
* Entertainment allowance.
* One month annual leave with round-trip airfare for the employee and family.
* Medical care and other benefits as provided by bank policy.

Please send your resume in confidence, including present salary to:
RECRUITING DEPARTMENT
RIYAD BANK HEAD OFFICE
P.O. BOX 22622, RIYADH 11416
SAUDI ARABIA.

University of Reading

Professorship of Economics

Applications are invited for the Professorship of Economics in the Department of Economics. The appointment will be made from 1 October 1992 or as soon as possible thereafter.

Candidates should have an established reputation in Economics and a strong commitment to research leadership. Applications will be welcome from economists specialising in any core area of the subject.

Further information may be obtained from the Registrar, Room 212, Whiteknights House, P.O. Box 217, The University, Whiteknights, Reading RG6 2AH (Telephone: 0734 318045)

Informal enquiries may be made to Professor Casson on Tel. No. 0734 318227.

Closing date for applications is Monday 13 April 1992.

VICE PRESIDENT – INTERNATIONAL TRADING

London | Under 45 years

JK International Ltd is the UK subsidiary of JK Industries Ltd, which is part of one of the largest industrial conglomerates in India. They have many diversified business interests including manufacturing plants and activities in India and abroad.

A Vice President, to be based in London, is required to oversee the further expansion of the International Trading business.

The ideal candidate shall be under 45 years old and be a dynamic leader and skilled negotiator. They should also be a result orientated person with extensive experience in the development of international business, including Exim and counter trade, finance, distribution and related logistics. A strong background in marketing and international trade is also required.

An attractive remuneration package is available including liberal perquisites. We offer a stimulating work environment, and excellent prospects for growth. Please apply with relevant details together with a recent passport size photograph to:

The Managing Director
JK Industries Limited
3 Bahadur Shah Zafar Marg
New Delhi 110002
India

Williams de Broë

EUROPEAN EQUITY SALES TO SCANDINAVIA

Williams de Broë wish to recruit additional cross-border equity sales executives. Successful candidates will be appointed to market the company's research product and advise foreign institutional investors in British and European Securities Markets.

Essential requirements for these posts are:

- Tertiary education in Economics.
- Minimum three years experience in U.K. and European Securities sales and dealing with Non-U.K. clients.
- Fluency in at least two Scandinavian languages and English, with working knowledge of German and French.

Williams de Broë offers a dynamic and cosmopolitan work environment for professional and enthusiastic brokers.

Please apply to: M.J. Smith, Foreign Department,
Williams de Broë Plc, P.O. Box 515
6 Broadgate, London EC2M 2RP

Appointments Advertising appears every Wednesday and Thursday

SENIOR MARKETING OFFICER FOR AFRICA

A major European Bank with strong worldwide representation now seeks a London based Manager for its Africa business.

The successful applicant will have at least three years experience of lending to African corporates and governmental organisations, and have appropriate contacts in Africa. Applicants must also have strong presentational skills and a successful record of obtaining mandates. The position will be based in London with extended visits to Africa.

A competitive remuneration package including the usual range of bank benefits will be offered.

Please apply in confidence to Box A1792, Financial Times, One Southwark Bridge, London SE1 9HL

Derivative Finanzinstrumente

Anwenderunterstützung für Handel und Abwicklung

Devon Systems ist der führende Anbieter von Standardsoftware für Handel und Abwicklung von derivativen Finanzinstrumenten, z.B. Optionen, Futures, SWAPS und FRA's. Für unsere Niederlassung in Frankfurt suchen wir derzeit neue Mitarbeiter in der Anwenderunterstützung zur Verstärkung unseres Teams.

Idealerweise haben Sie bereits Erfahrungen im Handel oder im Clearing bei einer Bank gesammelt, oder haben in Projekten zur Beurteilung oder Implementierung von Softwareanwendungen im Finanzbereich mitgearbeitet, oder haben sich im akademischen Bereich intensiv mit neuen Finanzinstrumenten beschäftigt. Sie sollten vor einer Gruppe frei sprechen können, Spaß am Umgang mit Menschen haben und über gute Englischkenntnisse verfügen.

Das Tätigkeitsfeld umfaßt die Unterstützung von Anwendern der Devon Software, am Telefon und direkt beim Kunden, bei funktionellen Fragen oder bei Systemproblemen. Daneben werden Sie als Schulungsleiter und Berater anwendungs- und bankspezifische Schulungen für Händler und Back office Mitarbeiter durchführen sowie als Schnittstelle zwischen Kunden und Produktmanagement Anforderungen des Marktes in neue Systemfunktionalität übersetzen helfen.

Bitte senden Sie Ihren Lebenslauf an die untenstehende Adresse oder per Fax an (069) 2561455, zu Händen von Dieter Stein. Für eventuelle Fragen steht Ihnen Herr Stein unter (069) 256140 zur Verfügung.

DEVON
SYSTEMS INTERNATIONAL

Devon Systems GmbH
Wilhelm-Leuschner-Str. 14, 6000 Frankfurt 1

Editors

Bloomberg
BUSINESS NEWS

Financial News Agency | **London**

Bloomberg Business News is a 24 hour global news service distributed electronically to media and business subscribers worldwide. Bloomberg stories appear in the New York Times, International Herald Tribune and other major newspapers.

The London Bureau is looking for editors to join a successful, growing operation. You will be part of a team responsible for editing the flow of business news stories in the UK and the rest of Europe. You must be able to work within a fast moving, dynamic environment where accuracy is vital.

Successful candidates will have previous editing experience and will probably have worked in a financial news agency. A second European language would be useful.

Salary is negotiable according to experience.

Apply immediately to Paul Chambers on 071-388 3111 during office hours, or send your CV to him by post or fax, quoting ref BBN/E.

FRESHMAN

The Freshman Consultancy Limited,
Euston House, 81-103 Euston Street, London NW1 2ET,
Telephone: 071-388 3111 Facsimile: 071-388 3588

University of Bradford

CHAIR IN INDUSTRIAL TECHNOLOGY

The University seeks to appoint a new Professor in the Department of Industrial Technology, one of five departments in the Engineering Faculty. She/he will be expected to play a leading role in research as well as in the undergraduate work and the management of the Department.

The Department runs a large and successful multidisciplinary course in Technology and Management Science and a number of postgraduate courses. It has strong links with industry through placements/sponsorship and an active Advisory Committee. Major resarch interests are in areas of Production/Operations Management, including the Social Organisation of Work, Quality, Safety and Reliability, including Human Factors, Materials Technology and Clothing Technology.

Applications are invited from women or men with either an outstanding academic record, preferably industry-related or industrial experience at senior executive level and a substantial research record.

Further particulars may be obtained from: Registrar and Secretary, University of Bradford, West Yorkshire, BD7 1DP. Tel. 0274 383019. Closing date 25 April 1992. Informal enquiries may be made of Mr L J Clancy (0274 384241). Working towards Equal Opportunities.

MAKING KNOWLEDGE WORK

USS UNIVERSITIES SUPERANNUATION SCHEME

EQUITY ANALYST

Universities Superannuation Scheme is the occupational pension scheme for the academic and senior administrative staff of United Kingdom universities and a number of other higher educational and research institutions. It is one of the largest pension schemes in the country.

The London Investment Office of USS Ltd., which manages the assets of the Scheme, is seeking to recruit an additional equity analyst to its small in-house fund management team. The prime area of responsibility will be to support the European Fund Manager in the stock selection process. The candidate will also be expected to provide valuation comparisons between leading European and UK companies, as well as carrying out portfolio analysis of the Fund's European investments.

Candidates will be aged 25-30, educated to degree standard and have a minimum of 2 years equity experience, not necessarily in European markets.

A competitive salary and package is offered.

Please apply in writing with full C.V. to: Mr. R D Attridge, Universities Superannuation Scheme Ltd, 48-50 Cannon Street, London, EC4N 6JJ

INTERNATIONAL FIXED INTEREST SALESPERSON EDINBURGH BASED

Edinburgh Stockbroking Company requires a specialist Fixed Interest Salesperson with an established client base to market International Bonds and Convertibles into Switzerland and other markets. Fluent Swiss-German/Italian essential, French helpful.

A competitive remuneration package will be offered.

Applicants should provide a resume of relevant experience and linguistic abilities.

Written applications only to: Box No. A1787, Financial Times, One Southwark Bridge, London SE1 9HL.

FINTECH ASSET MANAGEMENT Ltd.

FOREIGN EXCHANGE JUNIOR DEALER/CONSULTANT

The rapid expansion of our organisation has created an exciting entry level opportunity. You will assume *responsibility for establishing and monitoring substantial* foreign exchange positions, based on our proprietary trading systems.

Foreign exchange consulting to our global corporate client base will also be required and you should be a "self starter" with the ability to operate in a fast moving environment.

Please send your C.V. to:

FINTECH ASSET MANAGEMENT LTD
14 High Street
WINDSOR
Berkshire
SL4 1LD

UCL

THE LONDON MASTER BUILDERS CHAIR OF BUILDING

The Bartlett School of University College London is looking for a new Professor of Building to help the School take building research and education towards the twenty-first century. We are seeking a creative person, committed to raising standards in construction management research; someone able to share and shape our vision of the future of building education within a multi-disciplinary environment. The Bartlett has both a national and an international role and expects its new Professor of Building to reflect that standing.

Applications, including a full *curriculum vitae* (10 copies for UK candidates, one copy for overseas candidates) and the names of 3 referees, should be sent to the Provost, University College London, Gower Street, London WC1E 6BT, to be received no later than three weeks after the appearance of this advertisement. Further written particulars about the post are available on request to the Director of Academic Services, Registrar's Division, University College London, Gower Street, London WC1E 6BT (telephone 071-380-7766). Equal opportunities employer.

Banking / Systems
Treasury Risk Management Projects

American software firm expanding in Great Britain and Continental Europe seeks Sr. Analyst & Project Management level consultants with experience in Banking Operations and Dealing Room Systems. One to Three years consultancy contracts with options for permanent employment.

Individuals should provide detailed resume of applicable experience. Agency inquiries must include full pricing and terms information as well as several blind resume samples.

Written inquiries Only to: P.O. Box A1778, Financial Times, One Southwark Bridge, London SE1 9HL.

UNIVERSITY OF CAMBRIDGE
MAGDALENE COLLEGE

DEVELOPMENT DIRECTOR

Magdalene College Cambridge invites applications for the important and challenging full-time appointment of Development Director, to take office from 1 October 1992. A successful record of fund-raising and expertise in development procedures is essential. The salary for this non-pensionable office will be up to £35,000 p.a. The person appointed will have the privileges associated with a Fellowship. Applications must be sent to the Bursar, Magdalene College, Cambridge CB3 0AG not later than 17 April 1992, together with a curriculum vitae and the names of three referees. The College is an equal opportunities employer.

HAD IT WITH THE CITY?
Independent distributor for a major multinational company seeking key people with drive and ambition to lead in the development of our expansion in the UK and also in Germany.
Substantial income potential.
For further information telephone:-
Rory MacDonald
Resource Associates
071-731 8199

APPOINTMENTS WANTED

COMPANY DIRECTOR

Twenty years experience with two International companies. Sales, marketing, systems training expertise, seeks a new and a more rewarding challenge.

Please write to Box no A 1791, Finanical Times, One Southwark Bridge, London, SE1 9HL.

A PRIVATE ISSUE

Imaginative and creative "rain-maker" (45) with proven track record in turn-around, pioneer businesses and profit implementation, available as

NON EXECUTIVE DIRECTOR

Former Senior Corporate positions included 15 years with D.K. Ludwig and Cyrus S. Eaton Groups of Companies, plus Middle East Monarch, after classical training in Germany, Switzerland and France. Financial background; multi-lingual, native German. VAST INTERNATIONAL BUSINESS CONNECTIONS. For no-nonsense effectiveness at board level or, if desired, special strategic mandates, please contact at UK residence: B.-M. Kiesser, The Tower, Hadlow Castle, Hadlow, Tonbridge, Kent TN11 0EG. Tel: (0732) 366129, fax (0732) 360178.

ACCOUNTANCY COLUMN

Green accounting and competitive advantage

By Andrew Jack

SPRING IS fast turning into the season for corporate reporting awards. Hot on the heels of last month's Stock Exchange and joint chartered accountancy institutes' annual award for published accounts comes an ecological equivalent that companies ignore at their peril.

If the green bandwagon is beginning to creak from a surfeit of initiatives of dubious quality, the 1991 environmental reporting awards sponsored by the Chartered Association of Certified Accountants deserves at least a little attention as an attempt to cut through the hype.

There was a certain air of inevitability about the ceremony last Tuesday evening. The venue was the Whale Hall of the Natural History Museum in London. The individual making the presentation was Professor David Bellamy, while the two companies receiving the joint award – *Norsk Hydro and British Airways* – were names familiar to those with much knowledge of corporate innovation on environmental issues.

Lessons to be learnt on the quality of environmental reporting exhibited by companies and how best to assess that information should be important elements in future debates about company reporting. It is time to inject some rigour into green reporting.

While the judges of the published accounts award in late February found themselves unable to identify smaller company reports of sufficiently high quality to earn a prize, their counterparts assessing environmental reporting could not even find many candidates to consider. The total number of entries – including some which were entreated – was only 18. The number of companies venturing into the green arena is, without doubt, still relatively small. An international survey conducted by Clare Roberts at the University of Glasgow in 1990 suggested that only 13 per cent disclosed environmental information.

That proportion is growing *fast*, however. Professor Rob Gray, one of the pioneers of "green accountancy" and one of the judges of the award, estimates that at *least* two-fifths of the top 500 British companies now include some form of environmental statement as part of their annual reporting process.

Mr Roger Adams, technical and research director at the Chartered Association of Certified Accountants, argues that pressure for *greater disclosure* is being driven by both strong accounting pressures – as expenditures such as environmental clean-up *become significant* – and by legislation passed as a political response to growing ecological awareness.

Mr Andrew Blaza, director of the environmental management unit at the Confederation of British Industry and another of the judges, says that competitive advantage is the drive towards environmental disclosure. "It has to be commercially-driven," he says. "I am saying to companies that if they want to be first, they had better hurry up."

The accuracy and *usefulness* of the green data provided is developing rather more slowly, however. Gray highlights a number of weaknesses to *existing statements. "They are often* parcelled up very much in a public relations way that owes more to advertising than accountability," he says. "We often wondered *if we were* really just looking at advertising."

He cites Body Shop as an example. "They are very green by normal standards, but their reporting is PR-driven. It doesn't get down to what they actually do." Many companies have tended to concentrate on peripheral *activities* and do not *scrutinise* the environmental impact of the core operations of a company, he says.

An analysis last summer of 670 UK companies by *Company Reporting*, the Edinburgh-based monthly monitoring service of company accounts, showed that only 10 per cent mentioned the environment and only 3 per cent provided a separate statement on the subject. "The majority of disclosures are of such a low level as to be virtually meaningless," it said.

"British Airways and *Norsk Hydro chose* themselves", says Prof Rob Gray. The *challenge for the future* is to convert these first tentative examples of good environmental reporting into a series of more detailed standards.

As last year's survey of UK financial reporting from the Institute of Chartered Accountants in England and Wales illustrated, brief para*graphs such as that in the* 1989 accounts of Evered are not uncommon. It states simply: "The company is committed to taking responsibility *for the* environment in which it operates. This policy manifests itself through working closely with residents and local government groups."

The problems in no way reflect poorly on the two companies which won the environmental reporting awards this week. "British Airways *and Norsk Hydro* chose themselves," says Gray. "They were so far ahead of the UK field."

He highlights a number of charac*teristics* which singled out the winners. Both concentrated their environmental reporting on core business areas, approached the subject system*atically*, and gave data which allowed for comparisons and could be audited. They also employed an external consultant to verify the information provided.

Neither simply published flattering information. "The charm is they they didn't pull their punches," says Gray. "There was a lot of bad as well as good. Nobody's going to believe a squeaky clean approach."

Norsk Hydro, Norway's largest quoted company, first produced an environmental report three years *ago*, which was widely circulated within the country, including to every resident within three miles of all the company's *sites. It followed* up with a 28-page report covering its UK activities, published in late 1990. It shows trends over several years on topics *such emissions*, discharges, industrial accidents and energy consumption.

BA produced a 100-page environmental review last year, which examined the impact of its activities at Heathrow airport, including trends in aircraft noise exposure, fuel consumption and emissions.

The acid test, Gray believes, is whether the two compa*nies* will repeat their assessments. Bitter experience in the past has suggested that fear of attracting criticism has detracted even those companies which have published information from repeating the exercise.

Mr Charles Duff, corporate development manager for Norsk Hydro in the UK, says there are discussions to produce an up-dated version of the UK report, perhaps next year. More significantly, he says the company is considering including a detailed environmental statement with its annual report and accounts, which would include "real pound-note numbers".

Dr Hugh Somerville, BA's head of environment, says it is producing a report analysing the company's activities at Manchester airport this year. Next year there are plans to do the same at Gatwick and to assess the impact of its holiday business.

BA is also seriously considering producing an annual environmental statement, containing a numerical assessment of the business under six *headings: noise, emissions, congestion*, waste, tourism and staff involvement in the community. The first one is due out this summer.

The challenge for the future is to convert these first tentative examples of good environmental reporting into a series of more detailed standards. How far meaningful and comparable information can be coerced from the majority of companies without legislation is questionable. But without greater rigour, the mass of green data now being generated is probably not worth the recycled paper on which it is printed.

FMS

FMS is a Division of Reuter Simkin Limited

FINANCE DIRECTOR

SURREY

c.£50,000 p.a. +BONUS (up to 25%) +CAR ETC

Our client is an autonomous Group within a diverse US Multi-national, who continues to grow profitably in each of its well-established consumer brands. In order to consolidate and develop this growth further a Group Finance Director [illegible] Chairman and Chief Executive, is now sought.

As a Key Board Member, wit[illegible] Finance Function repor[illegible] responsibility for a s[illegible] Divisional Finance D[illegible]

- Fully involved i[illegible] Group and its busin[illegible]
- Instrumental in [illegible] operational, financial [illegible] UK and in Europe.
- Responsible for establish[illegible] the implementation of financial polic[illegible] controlling and developing the Group's financial position.

[illegible] Accountant (ideally ACA), [illegible] who can demonstrate:

- A[illegible] sence with obvious [illegible]
- Th[illegible] and focus on key [illegible]
- [illegible] change management [illegible] vements, including [illegible] ottom line. [illegible] potential.

[illegible] retail, distribution, consumer services or a generally multi-site environment would be ideal, but personal and commercial qualities remain paramount.

Potential Blue-chip Finance Directors should write to Karen Wilson BA, ACMA, Director at FMS, 5 BREAM'S BUILDINGS, CHANCERY LANE, LONDON EC4A 1DY enclosing a recent CV *and a note of current salary.*

Group Finance Controller

London c. £45000 package + car & benefits

Our client is a leading player in [illegible] the building and construction industry. [illegible] owned [illegible] and profitable, it has a turnover [illegible] £160m. Steady progress has been comp[illegible] over the last ten years by a combination [illegible] diversification.

Because of an internal promotio[illegible] a need to recruit an experienced a[illegible] minded Group Finance Controller. [illegible] full responsibility for all the accou[illegible] this multi-site environment, as wel[illegible] extensive [illegible] advisors: a flotation in the medium term is [illegible]. Success in the role will lead to a board appo[illegible]ent.

You sho[illegible] graduate qualified accountant, aged mid-thi[illegible] with the ability to lead a team, maintain tight [illegible] control and earn the respect of those aro[illegible] you. The culture is one which requires an a[illegible] self starter with the intelligence and experience to make a major contribution to the development of the Group.

If you [illegible] seeking, please write to Geoffrey [illegible] at the address below, quoting reference [illegible] concise career and salary details and a daytime telephone number, or phone on 071-489 9000 or 081-744 0262 (evening).

BDO CONSULTING

BDO Consulting, 20 Old Bailey, London EC4M 7BH.

BS 5750 Part 1 FS 12525

FINANCIAL CONTROLLER

Hi-tech engineering and electronics

Croydon c.£30,000 + car + bonus

Our client is an autonomous operating unit of an established blue chip business manufacturing advanced electronic and engineering products. The company is commercial in outlook and outstandingly successful in its field.

Reporting to the local MD and working as part of the senior management team, you will be fully involved in business decision making. Your specific areas of responsibility will include preparation and analysis of management information, budgeting and forecasting, strategic planning and provision of information to corporate level. There will also be a significant involvement in systems development, job costing and contractual reviews.

Ideally a graduate accountant in the age range 27-35, you will have experience gained in manufacturing, preferably electronics or engineering related, comprehensive knowledge of costing systems and well developed computer literacy. You are likely to have had previous exposure to plc reporting and knowledge of the financial aspects of commercial contracts would be useful.

Please reply in confidence, giving concise career, personal and salary details to Brendan Keelan, quoting Ref. L.639.

Egor Executive Selection
58 St. James's Street
London SW1A 1LD (071-629 8070)

EGOR EXECUTIVE SELECTION

United Kingdom · Belgium · Denmark · France · Germany · Italy · Netherlands · Portugal · Spain · Sweden

---

FINANCIAL TIMES & ROBERT HALF INVITE YOU TO A FREE BUSINESS BREAKFAST

FINANCIAL TIMES
EUROPE'S BUSINESS NEWSPAPER

MAKING THE SELECTION INTERVIEW MORE EFFECTIVE

A Practical Guide for Finance Managers

on Thursday 9th April 1992
At The Meridian Hotel, 21 Piccadilly, London W1
8.15am - 9.30am

This Financial Times Breakfast Briefing is designed specifically for finance managers who may interview once or twice a year. The talk will be given by Jeff Grout, Joint UK Managing Director of Robert Half, who will examine where and why interviews go wrong and demonstrate how to increase the effectiveness of the interview through a more structured approach. The briefing will cover:-

- Preparing for the interview
- The Interview Plan
- Creating a proper environment
- Questioning Techniques
- Promoting the job
- Concluding on the right note

A specialist in accountancy recruitment for more than 10 years, Jeff Grout is a frequent contributor to various newspapers and journals on the subjects of job hunting and recruitment. A regular speaker, he has been a guest on numerous radio programmes and appeared on Sky Television.

He has advised many companies on how to improve their recruitment process and has presented in-house recruitment seminars and interview workshops for companies such as Marks and Spencer, Vickers, Guinness, MEPC, Shandwick and Banque Paribas.

Jonathan Freestone, Group Management Accountant, MAI plc 'Good insight into the correct approach to interviewing'.

Charles D Coase, Group Chief Accountant, Guinness plc 'Both constructive and valuable'.

Brendan Collins, Assistant Group Controller, Shandwick plc 'An excellent presentation'

Graham Coulson, Personnel Manager, MEPC Plc 'A valuable and enjoyable presentation on selection interviewing'

Bob Lake, Finance Director, Barstable Advertising 'Much valuable information in a short space of time, all of which was relevant'.

Places at the Breakfast are strictly limited.

If you wish to attend this free breakfast, please write to Rachelle Nelson at Robert Half, Freepost, Walter House, 418 The Strand, London WC2R 0BR. (Telephone: 071-836 3545)

ROBERT HALF
THE HUMAN FACTOR

---

whiteheadselection

Head of Financial Planning and Analysis

Retail Financial Services
South West
c. £50,000 plus bonus

Our client is a leading provider of retail financial services, currently undergoing a major culture change as the business becomes more responsive to the needs of its customers.

This newly created position reports to the Group Finance Director, and has considerable exposure to the highest level of management. You will introduce discipline and coherence to the commercial evaluation of major capital expenditure proposals, and interface with senior management, offering them both a value-added service and challenging their financial decisions, identifying with them the key pressure points and areas for profit enhancement.

Aged 30-35, you will be a graduate accountant with at least 5 years' post qualifying experience. You must be a self-starter with excellent communication and commercial skills and a powerful, incisive intellect. (Ref 542)

Please write with CV and current salary to Tom Grayson, Whitehead Selection Ltd, 43 Welbeck Street, London W1M 7HF.

A Whitehead Mann Group PLC company

whiteheadselection

Finance Director

Belgium Package to £50,000 + benefits

This is a challenging appointment in a major operating division of a substantial UK public group. The division is involved in the manufacture of specialist products which are used in industrial applications worldwide. The division and its products have a significant international profile; acquisitions and product development have consolidated the division's position as one of the world's largest manufacturers in its field. European operations are centred in Belgium and contribute around £45 million to group turnover. The finance director will join an established executive board to monitor and control the division's accounting routines in Europe. There will be a strong functional responsibility to the UK and success could lead to longer term career opportunities within the Group.

The position requires a UK qualified accountant with several years' experience in a manufacturing environment. Candidates should be in their late twenties or thirties and have a high level of technical skill gained in a well-regulated business. Fluency in French is a requisite and previous European experience as part of a French-speaking team would be a considerable advantage. Candidates should also show the ability to contribute at a strategic level as a board member.

Relocation will form a part of the attractive remuneration and benefits package.

Please reply in confidence, enclosing a full CV and quoting reference L/207 to David Bannister.

KPMG Selection & Search

1 The Embankment, Neville Street, Leeds LS1 4DW. Tel. (0532) 313000.

GRE PROPERTIES

Price Waterhouse
EXECUTIVE SELECTION

Finance Director

c.£60,000 plus car & bonus London W1

We are a wholly owned but independent subsidiary of GRE and are well known for our expertise in all aspects of property investment, development and management. For some time, we have been broadening our horizons and we are now increasingly looking to market our expertise to external clients.

To assist in this new initiative, we seek a Finance Director who, as a proactive member of the Board, will play an integral role in the strategic development of all aspects of our business - from the formulation of the corporate financial strategy and the development and implementation of enhanced management/financial reporting through to close involvement in our client assignments, major projects and new business activities.

The scope of the role is wide but most of all, we need a team player who can share our corporate goals and aspirations. A background in property would be helpful - but if you can cope with the steepest of learning curves, *it is not actually essential.*

To pursue this matter further, write to our advising consultant, Hamish Davidson enclosing a full CV and salary details and quoting *reference H/1234/FT* at:
Executive Selection Division
Price Waterhouse
Management Consultants
Milton Gate
1 Moor Lane
London
EC2Y 9PB
Tel: 071-939 6312
Fax: 071-638 1358

COMMERCIAL MANAGER

SOUTH WEST REGION

The Acer Group draws on over a century of experience and is internationally recognised as a leading multi-disciplined engineering consultancy with a reputation for excellence and innovation built on some of the world's most demanding projects.

Here in the UK, we are structured on a regional basis and we are currently seeking a Commercial Manager to join our Bristol office and take on a challenging role in the South West.

As the region is operationally autonomous, the principle responsibility is to the Regional Director as well as the management and leadership of a team to ensure that the region's financial records and controls are efficiently implemented. This covers the entire spectrum of financial control, as well as extending to forecasting, budgeting and the provision of timely management information for both the region and Head Office function.

As a key member of the management team, two important facets of the post are to provide a vital link between regional activities and central finance functions, and to ensure that resources are used as efficiently as possible. A customised computer system is nearing completion, and the successful candidate will need to take a leading role in its implementation. The post also demands travel throughout the region.

The ideal candidate will be a professionally qualified accountant aged at least 30. A sound commercial, financial and management accounting background is a pre-requisite, ideally gained within a project/construction environment. Mature management and leadership skills are essential, as is flexibility, a positive approach and the ability to influence staff at all levels – including some of the finest engineering professionals in the country. These abilities must be combined with polished administrative skills and a high degree of computer literacy.

We offer the successful candidate the scope to make a tangible impact on our business as well as a benefits package that includes a car, private health insurance and pension scheme.

To apply, please write with a comprehensive CV and salary expectation to: James Montgomery, Acer Consultants Ltd., Acer House, Medawar Road, The Surrey Research Park, Guildford, Surrey GU2 5AR. Closing date for applications 2nd April 1992.

acer

Technology shaping your world

INTERNAL AUDITOR

INTERNATIONAL FOREIGN BANK

Salary up to £30,000 + Car + Banking benefits City Based

An overseas International Bank are looking to recruit an Auditor to be based within their London branch.

Candidates will be responsible for undertaking Scheduled Internal Audits of all banking operations in accordance with a risk rating system. They must possess the ability to work on their own initiative and be able to meet deadlines. The functional reporting line will be to the Chief Auditor, based in Head Office.

He or She will be a Chartered Accountant with up to 5 years of post qualification experience some of which will ideally have been gained in a banking environment. An understanding of the risks inherent in Treasury Products would be a definite advantage. Preferred age is under 30.

If you are interested please apply in writing with full CV to

PO Box A455, Financial Times, One Southwark Bridge, London SE1 9HL.
Closing Date 24th April 1992

DIRECTOR OF ACCOUNTING AND FINANCE

NORTHERN GERMANY — EXCELLENT REMUNERATION PACKAGE

Our client is an independent, internationally orientated research organisation with more than 25 years experience in contract research. The company serves life science industries with regard to product efficacy and safety and has particular expertise in biotechnology and environmental protection.

Committed to expansion of it's European operations the company is now seeking a key individual to join and complement its existing management team.

Reporting to the Chief Operating Officer, key responsibilities will include:

- Overseeing accounting, financial systems and internal controls
- Provision of management, US-shareholder and external entity information
- Managing all accounting functions
- Managing financial planning and capital expenditures

The successful candidate will be a qualified accountant with proven management experience of at least 3-5 years. Experience of working in Germany would be a decided advantage. Fluent English and German are essential.

To discuss this exceptional opportunity, interested applicants should telephone **Jonathan Kidd** on (44) 71 379 3333, fax (44) 71 915 8714, or write to him enclosing a detailed CV at **Robert Walters Associates, 25 Bedford Street, London WC2E 9HP.**

ROBERT WALTERS ASSOCIATES

LONDON WINDSOR BIRMINGHAM BRUSSELS AMSTERDAM PARIS

THE INTER-AMERICAN DEVELOPMENT BANK,

an international organization which provides development financing for Latin America and the Caribbean, has an opening at its headquarters in Washington, D.C., for an

ACCOUNTING DIVISION CHIEF

Senior accounting professional sought to plan, direct and supervise the activities of its Accounting Division. Unique international environment requires a seasoned and creative manager with substantial exposure to multi-currency financial management, minimum of 15 years accounting experience in multinational practice, and certification by a professional accounting body. Must also have experience with internal controls within a distributed processing environment, and have broad exposure to computerized financial and accounting systems. Masters degree in Accounting or equivalent. Proficiency required in Spanish and English; French and Portuguese desirable.

Position offers excellent compensation and benefits package, *including relocation costs. Interested applicants should send* curriculum vitae not later than April 30, 1992, to:
Mr. Jim Wylde, Inter-American Development Bank, Stop E 0517, Washington, D.C. 20577
Fax: (202) 623-3178

The Bank regrets that it can only acknowledge applications which best match the requirements of the position.

FINANCE DIRECTOR

This is an excellent career opportunity to join the Executive Team of this prestigious Private Hospital which is a subsidiary of a U.S. Healthcare Corporation. *The successful applicant will report directly to the* Executive Director. High calibre leadership, interpersonal and communication skills are essential for this challenging position. Applicants must be professionally qualified and have proven achievements at a senior level, *preferably in a Hospital or Healthcare* environment.

This Finance Director has financial responsibility for the London operation and will be responsible for the overall management of the Finance Department, involving *formulating policies, setting objectives, monitoring and* evaluating achievement, along with planning and development, in order to achieve maximum financial results within the highly competitive healthcare market.

The Hospital offers an excellent working environment, *along with a generous salary and benefits package.*

Please apply in confidence enclosing a CV with latest salary details to Mr Graham White - Personnel Director.

Humana Hospital Wellington
Wellington Place London NW8 9LE

Group Accountant

Attwoods plc — **Fulmer, Bucks.**

£30-35,000 plus car and benefits

Attwoods plc is the UK's only international waste management group, providing integrated solid waste and recycling services in the UK, Europe and the US. A turnover of about £300m has been achieved by a combination of organic growth and acquisition.

There is now a need to recruit a Group Accountant *to assist the Head Office finance team in the* preparation of forecasts, budgets, cash flows, statutory accounts and various ad-hoc projects.

The position requires a self-starter with a proven track record.

You should be a qualified accountant, preferably aged 25-35, with at least two years post qualification experience. You must be PC literate and comfortable with spreadsheets. You must also be able to fit in with a dynamic yet informal team *with a flexible approach to the work required.* Knowledge of US GAAP and German would be an advantage, although not essential.

If you think you are the self-starter we are seeking, please write to Geoffrey Rutland, FCA, ATII at the address below, *quoting reference 1685 and giving concise career and* salary details and a daytime telephone number, or phone on 071-489 9000 or 081-744 0262 (evening).

BDO CONSULTING

BDO Consulting, 20 Old Bailey, London EC4M 7BH.

BS 5750 Part 1 FS 12525

Finance Manager

Solihull

£35,000 + Car

Our client is an ambitious *industrial* holding company, principally comprising manufacturing companies, that is seeking significant growth year on year over the next several years. With a combination of its financial strength coupled with the operation being split equally between the *UK and the rest of Europe, the group is* embarking upon an expansion phase driven by a small but highly experienced management team based in Solihull.

As a direct consequence of the growth of the group there is now a requirement to appoint a Finance Manager at the head *office. The role will encompass* the consolidation of statutory/management accounts and budgets, the preparation of reports in support of special studies, such as acquisitions, and the supervision of day to day accounting for the plc. The group is highly computerised, making use of electronic data transfer from its subsidiaries. Experience with PC's is a prerequisite and familiarity with networks and communications a distinct advantage.

Candidates will be qualified accounts, aged 35-40, who have had good experience of head office accounting matters and who seek to make a career move to this progressive group. Candidates should also have a sound track record to date, be technically up to date and have total *integrity and reliability in being able to* not only absorb the responsibilities above but also to work closely with top management.

Please write enclosing a full Curriculum Vitae quoting ref: 652 *to:*
Philip Cartwright FCMA,
22 Bramcote Road, London SW15 6UG
Tel: 081-788 2622

Cartwright Hopkins
FINANCIAL SELECTION AND SEARCH

Birmingham City Colleges

BOURNVILLE COLLEGE OF FURTHER EDUCATION

DIRECTOR OF FINANCE/COLLEGE ACCOUNTANT

£33,411 - £35,670

We require a highly qualified, experienced accountant for this permanent post. As a senior member of the College's Management Team you will be responsible for all aspects of the management of the College's £5.5m revenue budget, capital assets and income generation. You will have excellent inter-personal and communication skills, shrewd, political acumen, plus expertise in computerised accounting systems.

Priorities will be: the establishment of first-class relationships with all organisations to whom the College will be accountable; preparing the College for Corporate Status; the pursuit of new sources of income; the achievement of a reconciliation between efficiency and effectiveness in educational and training provision.

Essential personal qualities include:-

- ★ Vision in terms of Bournville College's future and the ability to translate vision into excellent educational practice within a finite budget.
- ★ Empathy with Bournville College's Mission Statement which focuses on social, economic and academic priorities.
- ★ Determination to extend Bournville College's work beyond its current 7,000 student population.
- ★ Appreciation of the Single European Market and the potential Overseas Market.
- ★ Enthusiasm to promote Bournville's local, regional, national and international reputation for excellence.

You will join a highly committed College Management Team of extended professionals, who share a total commitment to the ethos and philosophy of Bournville College.

Applications are invited from those with relevant experience in the Polytechnic/University sector; a Local Authority; the Private and Voluntary Sectors.

Applications forms and job descriptions are available from The Principal's Secretary, Bournville College of Further Education, Bristol Road South, Northfield, Birmingham B31 2AJ. Tel 021 411 1414 ext 234.

After receiving the job description please telephone, Principal, Patricia Twyman or Head of Support Services, John Healey if you have further enquiries.

Closing date 27th March 1992.

Controller Finance & Administration

Manchester c.£45,000 + incentive & options

Sterry Communications is a rapidly growing company providing unique solutions for businesses to improve the functionality and cost efficiency of their telecommunications services. It is dedicated to delivering the highest possible level of service to a customer base which includes several large 'blue chip' companies with multi-site national networks. The management team is commited to a strong growth strategy aimed at exploiting, through technical innovation and dynamic marketing, the new opportunities created by deregulation.

As a member of the Executive Committee, managing about 40 finance and commercial administration staff, you will make a substantial contribution to the company's profitable management and to its commercial direction. New systems capable of supporting the business through a period of considerable growth have to be designed and installed.

You will be a qualified accountant, probably in your 30s, with experience of financial line management gained in a tightly controlled service organisation. You will have demonstrated your ability to work effectively under pressure, managing change in a customer-led business.

The work is very demanding and the potential rewards for success are considerable. The remuneration package will comprise a basic salary negotiable around £45,000 pa. You will be a member of the profit related and share option schemes. A company car will be provided.

Please write, giving us details of your career and of your current earnings, quoting reference FT 2103. AAD Recruitment Consultants, 7 Curzon Street, London W1Y 7FL.

AAD *The Advertised Appointments Division of Odgers and Co. Ltd.*

FINANCIAL CONTROLLER

a challenging commercial opportunity in the 'high-tech' industry

Reading — **c£35,000 + car**

Rockwell-Collins is the UK subsidiary of Rockwell International, involved in the avionics and electronics communications system business.

We now require a Financial Controller, who, reporting to the Managing Director, will assume overall responsibility for the accounting, financial management, contractual obligations and information technology of the UK company. This challenging role offers the opportunity to contribute to the commercial success of the UK subsidiary and to develop close working relationships with US financial managment.

You ideally must be a degree qualified accountant, ACA, ACCA or CIMA, in your early thirties with previous experience in management and general accounting, preferably within a multi-national organisation. Experience in the high technology capital equipment market would be an advantage as well as good personal skills including a team player and strong presenter.

In addition to a salary of around £35,000 benefits include pension, life assurance, BUPA, and a company car as well as assistance with relocation where appropriate.

Please write in the first instance, enclosing your CV to our consultant, A Whitbread, Director, Moxon Dolphin Kerby Western, Park House, High Street, Thornbury, BRISTOL BS12 2AQ.

Rockwell International
...where science gets down to business

RELDAN

FINANCE DIRECTOR

Circa £35 - 40,000

RELDAN the *well known fashion company established over* 50 years require a Financial Director. The Company has currently changed its emphasis from manufacturing to Fashion marketing and *retailing. We are looking* for an efficient and dynamic candidate to join a strong management team to participate in the exciting developments taking place.

The successful applicant should be between 35 and 45 years of age, with at least 2-3 years experience as a Financial Director in a medium sized company. Experience *to include detailed budget preparation*, cash management, prompt production of monthly management accounts together with acumen for dealing with external suppliers, customers, financial institutions and auditors. The person must be able to function as a hands-on manager and at *the same time effectively communicate with management* and others.

Please reply enclosing career details in confidence to the Chairman, Reldan Limited, 30 Wellington Road, High Wycombe, Bucks HP12 3QD

Financial Controller

Manchester — **to £30,000 + benefits**

Our client, a substantial and highly successful manufacturing business, is a market leader in the competitive textile supplies sector. Through well managed growth and substantial investment in technology the company has established an *enviable reputation* for product quality and customer service.

The company now wishes to appoint a Financial Controller to assume overall responsibility for the finance and administration functions, reporting directly to the Managing Director. In addition to the day to day running of the department you will carry out ad hoc exercises for the board and play a role in the continuing development of the business.

The successful candidate, aged 30 to 45, will be a qualified Accountant with excellent financial and management accounting skills gained through the successful management of the finance function of a medium sized company. You should be computer literate, and have the confidence, communication skills and commercial awareness to establish credibility with senior management.

The position offers an attractive remuneration package with excellent career prospects.

Please write enclosing a cv to Brian Marren, BM Search & Selection, Ashdene House, Claremont Grove, Hale, Altrincham, Cheshire, WA15 9HH.

BM SEARCH & SELECTION

Tel: 061 927 9149 — Fax: 061 927 9155

FINANCE DIRECTOR

Construction and materials group requires Finance Director for a south-east appointment.

The Finance Director will have full accountability for the accounting and management information systems, and will make a contribution to the overall management and strategic direction of the company. The group has several divisions.

The candidate should be computer literate and capable of performing in a strong team. Experience of similar responsibility at board level would be an asset.

Applicants should be qualified within one of the senior accounting professions.

Please apply with full c.v. to Slater, Chapman & Cooke, 16a St. James's Street, London SW1A 1ER (reference GB).